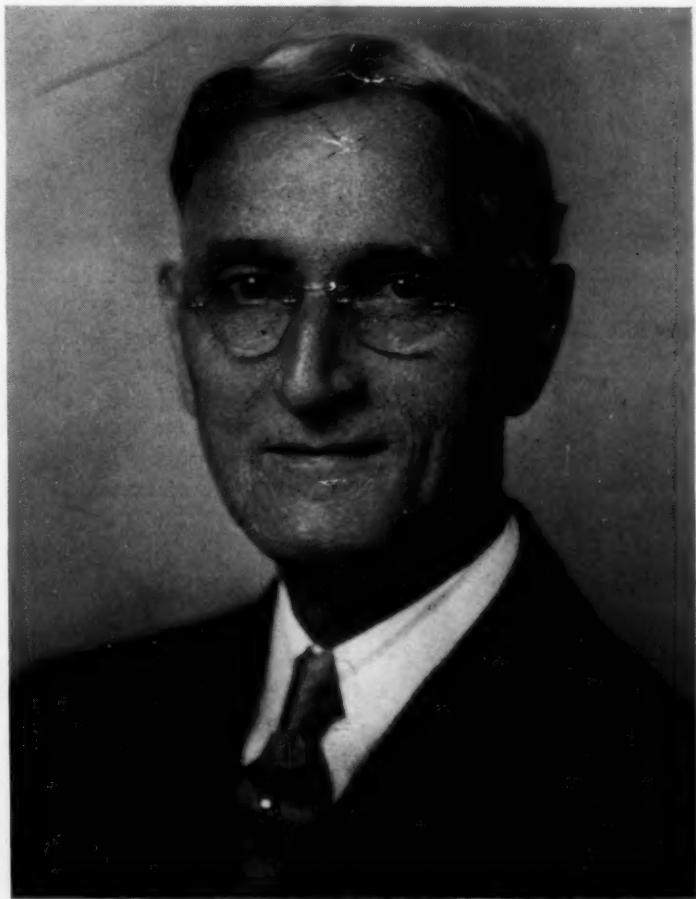




Magazine of
Retail Credit

The CREDIT WORLD

Forty years' service with one firm! That's the
record of Past Director Jackson. (See page 2.)



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C. F. JACKSON
Credit Manager
Famous-Barr Co., St. Louis, Mo.



OCTOBER, 1934

Vol. XXIII No. 1

Did You Get Your Copy -- of the New Blue Book of Credit and Collection Letters?

A NEW book, prepared especially for members of this Association, containing tested, proved collection letters; letters to revive inactive accounts and letters to bring in new accounts; "skeleton" letter ideas that you can adapt to your own letters.

Letters for every credit and collection department need —33 of them—any one of them worth more than the special price we have made on this book.

"Good horse sense in every line of it," wrote one member. "Wonderful letters"; wrote another, "and worth plenty to retailers who will use them." Hundreds of letters complimenting the book have already been received. Extracts from a few of these are shown at the left.

A glance at the subtitles will give you an idea of its contents:

What Members Say:

"A series of exceptionally good letters. Should bring excellent results."—(Montana)

"Consider this book very useful and valuable for any credit store, large or small."—(W. Va.)

"Well worth several times the cost of a National Membership."—(California)

"Worth any credit man's time to use it."—(Ohio)

"The book is indeed a great help to us and it is a wonderful piece of work."—(Texas)

"Contains excellent ideas and suggestions that will assist us in our Collection Department."—(Virginia)

"I am sure these letters will be of material value to me."—(Illinois)

"These letters and suggestions should be a great help in the office of any credit grantor."—(Canada)

"A very interesting and helpful book."—(Michigan)

Make Your Letters More Effective—with the "You" Viewpoint

The Secret of Prompt Collections—Uniform Credit Procedure

Starting New Accounts Off Right (With a series of letters for use on new accounts)

Educating Old Customers to Pay Promptly (With a series of letters for use on old accounts)

Installment or Budget Account Letters

Special Letters for Special Problems

Letters to Revive Inactive Accounts (With reports of actual results)

Letters That Build New Charge Account Business (Actual letters shown)

SPECIAL PRICE \$1.00 POSTPAID

(To members only; to nonmembers,
\$1.50 postpaid)

National Retail Credit Association

1218 Olive Street

St. Louis, Missouri

The CREDIT WORLD

Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

October, 1934

Vol. XXIII

No. 1

EDITORIAL AND EXECUTIVE OFFICES

1218 Olive Street

St. Louis, Missouri

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DANIEL J. HANNEFIN.....*Associate Editor*

ARTHUR H. HERT.....*Business Manager*
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CONTENTS

Editorial Comment	2
Uniformity in Credit and Collection Control	4
Centralized Control and Authorizing of Branch Store Credits	7
September Trends—A Fast-Reading Summary	8
Mechanical Age-Analysis of Accounts Reduces Work—Speeds Collections	10
Membership Campaign Under Way	12
The Human Side of Credit Granting	14
Comparative Collection Percentages Continue Upward Swing	16
The American Bar Association Considers "Unauthorized Practice of Law"	18
Youngstown Furniture Dealers' Community Credit Policy	20
Washington Bulletin	22
"Credit Man—What Now?"	24
The President's Message	26
Catch Inactive Accounts Early—with This New Sticker Plan	28
Credit Flashes—Personal and Otherwise	29
Installment Collections in Jewelry Business Show a Continuous Upward Trend	30
Now—A Nation-Wide Study of Costs of Credit Department Operations	31

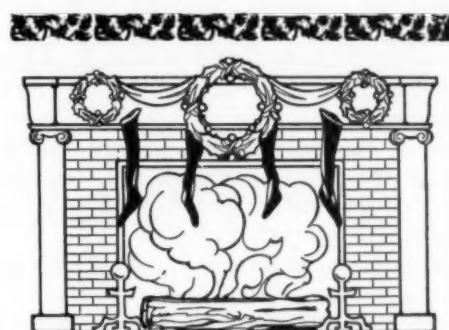
CHANGE OF ADDRESS: Please notify us promptly of any change of address so that you may not miss any issues. With your new address it is absolutely necessary that you also send us your old one. Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published Monthly. Subscription, \$2.00 a year, to members of the National Retail Credit Association only.

This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit Association.



In all other respects the Association cannot be responsible for the contents thereof or for the statements or opinions of writers.

A Timely Insert for November Statements



Keep Up the Spirit of Christmas Giving!

Christmas giving is not only a beautiful sentiment—it furnishes seasonal employment for thousands of workers! (And every additional Christmas gift means more work for someone.)

Prompt payment of accounts helps, too! For idle dollars won't put idle hands to work. If all accounts were paid up now it would put millions back in circulation—millions back to work!

Let's keep up the spirit of Christmas giving—and spread Christmas Cheer!

National Retail Credit Association

Executive Offices



St. Louis, Mo.

Dotted lines show size of insert only. (They are not part of the insert.) Printed in two colors, Christmas green and holly red (two-color illustration). Order now for your November statements.

Price \$2.50 per 1,000

National Retail Credit Association

1218 Olive St.

St. Louis, Mo.

EDITORIAL COMMENT

◆ ◆ ◆

The Tragedy of Bad Credits

FAILURE statistics, obtained from reliable sources, show that over 22,000 retailers fail each year. Let that sink in—every year some 22,000 retailers put the "CLOSED" sign on their doors!

"Out of Business"—what a tragic line it is! Think of the years of wasted toil, the blasted hopes, the thwarted ambitions of those retailers who fall by the wayside each year.

Look into these failures and in most cases you'll find the underlying cause to be bad credits—on one hand bad debt losses through unwise credit extensions—on the other hand lost sales volume through refusal of credit to deserving customers—and all through lack of the proper knowledge of the fundamentals of credit granting!

What are we going to do about it?

Much has been written in this magazine about the failure of the retail merchant to avail himself of the protection of this Association.

But the man we're berating for his negligence never reads The CREDIT WORLD.

Every month we get up in meetings and solemnly tell each other that the merchants of the country, operating on slender profits, are archaic mossbacks because they don't coöperate to protect those slender profits.

But the men we're talking about don't attend our meetings!

The plain fact is we're not selling ourselves to the merchant outside our ranks. Before we can justly criticize him we've got to go out and sell him the tangible benefits of Association membership.

Human nature is essentially selfish—the first question in a man's mind is "What will I get for my money?" Let's realize this and stop patting ourselves on the back and go out and sell our Association to the other fellow—on the basis of what it will do for him in dollars and cents!

How can we do this? By concerted effort. Let every individual member go out with the avowed intention of getting at least one new member—of selling at least one other retailer the mutual protection of cooperation in credit granting.

Let every local bureau manager—every local Association secretary—go out and tell every merchant in his territory what he has to offer him in return for his dues.

Finally, let's enlist the aid of the wholesalers. Every wholesaler is dependent—both for collections and sales—on the prosperity of his retailers.

Any wholesale credit man will be quick to see that the retailer who is a careful credit granter is a better credit risk for him. The wholesale credit man's recommendation will carry tremendous weight with his retailers and he will reach merchants we've never been able to reach.

Let's start now to build a greater Association—and *let's tell the world about it!*

» » »

A Fitting Tribute to a Deserving Credit Executive

WHEN the members of any profession pause from their "daily grind" to pay tribute to a fellow-member, such tribute usually has more than passing significance.

Such was the case when, on October 5, the Associated Retail Credit Men of Saint Louis tendered a testimonial luncheon to C. F. Jackson, Credit Manager of the Famous-Barr Company of Saint Louis, dean of the credit executives of the May Company, and a past director of the National Retail Credit Association.

The occasion marked the rounding out of forty years of active service by Mr. Jackson—forty years of continuous service *with one firm!* Not a prosaic record this—but one replete with instances of unstinted devotion to employer and profession alike. For Mr. Jackson has always been a staunch and ardent worker in the advancement of his profession.

The National Retail Credit Association gladly extends its congratulations to Mr. Jackson, adding its good wishes to those of the credit fraternity everywhere!

» » »

The Retailer's Opportunity

EVERY retailer should give careful consideration to the provisions of the National Housing Act, otherwise known as the Government's Home Modernization Program. Practically every retailer has some merchandise which can be sold under this program and every alert Manager of Credit Sales should study the program. While the credit plan has been outlined, our guess is that it will be a help to sales under regular credit terms.

Treat Your Credit System As a Sacred Trust!

and also

Insure Yourselves Against Possible Losses *with*

TELAUTOGRAPHS

(The Modern Method of Handling Credit Information)

WHILE the customer waits, and without his knowledge, you can, by means of Telautograph, obtain in indelible handwriting, credit reports, clearances, etc., quickly and silently. Thus, in a few moments, you have complete information with which to pass or refuse the credit application safely—and to O. K. or hold up delivery of goods, without loss of time, labor or money to the store. At the same time, this check-up is made in such a prompt and silent manner that the customer, protected from embarrassment regarding his credit rating and entirely unaware of what is transpiring behind the scenes, is pleased with this courteous service—and naturally feels more inclined to make additional purchases—resulting in increased revenue to the store.

With the approaching fall season and its concomitant improvement in trade, you will open many new accounts. But unless you handle them with dispatch and courtesy, your sales will suffer and the money you spend on expensive advertising to attract new customers will almost go for naught. The one way to handle credit data with speed as well as satisfaction to both the customer and store is via the Telautograph to your bureau.

*After complete investigation 153 stores adopted Telautograph
for communication to 25 bureaus. Why not investigate
now their reasons for adopting this system?*

Two additional stores—Pauson & Company of San Francisco and Kennedy's of Boston—just ordered our service.

**Telautograph Rentals Rarely Exceed \$1.00 Per Day for Each Store!
We Have a Branch Office Near You—Send for Our Man Now!**

(NO OBLIGATION—OF COURSE)

TELAUTOGRAPH

16 W. 61st St.



CORPORATION

New York City

Uniformity in Credit and Collection Control

By H. G. GODFREY

Credit Manager, The J. L. Hudson Company, Detroit

I MUST apologize for taking your thoughts back, to a little over a year ago when credit conditions were, to say the least, extremely acute. Conditions in Detroit especially were radically worse than in any large city I know of. In fact unemployment was so widespread and financial conditions so disrupted that our local Credit Men's Association recommended that credit be auto-

more we had been wrong in our credit and collection policy. During these years, we had seen our collections dropping off, our outstandings growing and our bad debt losses increasing. The fact that we had encouraged accounts with light financial and moral risks could not be denied and we felt the need for a financially better type of charge customer.

For many years, when opening charge accounts and when rendering bills, we have stipulated that payment should be made in full, early each month, for purchases of the preceding month.

The enclosed bill, showing an unpaid balance from the preceding month, may have escaped your usual prompt attention and for this reason we are calling it to your notice.

*If we are in error in any way, we shall be glad to have you advise us.
a*

THE J. L. HUDSON COMPANY

Notice "A"—White. Reproduced Actual Size

matically discontinued on all accounts that were sixty days or more delinquent. The recommendation was widely adopted and followed by ourselves and practically all of the large downtown stores. In case partial payment of an account was made, we later allowed an account to become ninety days delinquent before stopping credit.

While at first our change in policy was looked upon as an emergency measure only, we watched the results very carefully and were very much impressed with several very important facts. First, there was very little criticism and quite a bit of commendation regarding our restriction of credit. Second, our customers responded quickly to our requests for prompt settlement, and third, those whom we did not sell further on credit continued to buy heavily on a C.O.D., Will Call or cash basis.

Our experiences during March, April and May, 1933, leading to the contentions just referred to did something more. They convinced us definitely that for a decade or

It was our desire not to lose the benefits we had so recently gained by our restriction of credit, and we believed as a result of our new experience that a very large proportion of our charge business could be retained in the shape of cash, C.O.D. and Will Call purchases. We also felt that our customers would be governed in their payment habits, with comparatively few exceptions, by the extent to which our store enforced its credit and collection policy.

These theories and experiences led us, after a great deal of thought and discussion, to the adoption (in June, 1933) of a permanent credit policy. At that time we slightly raised our credit requirements for new accounts and provided for the automatic suspension of credit privileges on accounts sixty days delinquent without any payment or ninety days delinquent, in case partial payment had been made. We also decided upon a collection follow-up on all unpaid accounts in not less than thirty, or more than forty days, after first bill was rendered.

This is contrasted to a previous follow-up of seventy days.

The notification of customers on delinquent accounts between thirty and forty days after first statement was rendered, called for very careful planning. We realized that a collection follow-up as close as this would call for a great deal of care and judgment, not to mention the possibility of greatly increased labor and postage costs. Then again was the question of possible customer complaint.

After considerable discussion, two things pointed very clearly toward a departure from the conventional collection notice or letter and suggested the use of a printed collection notice to be sent out with delinquent monthly statements. The first, and I believe most important, element of our plan, was the belief that a very close follow-up should necessarily be very impersonal and should convey the impression that under exactly the same circumstances every other customer was receiving exactly the same notice.

The second point was that it would be a very difficult as well as a very expensive operation, to prepare and get out on time, by the thirtieth or fortieth day of delinquency, a complete set of addressed and separately mailed collection notices, in the increased quantities that would be required under such a close plan of follow-up, with the usual probability that each customer would feel that he or she were being singled out and that other customers, under the same circumstances, were being favored by not being notified. The result was the adoption of four notices, "A," "B," "C" and "D," size about $3\frac{1}{4}$ " by $6\frac{1}{4}$ ", to be sent out with monthly bills according to a

Notice "B"—The Yellow Notice

We thank you for the payment received covering a portion of your account, as shown by statement enclosed and wish to inquire if there is any error or complaint regarding the unpaid balance. If so, we shall cheerfully make any necessary correction or adjustment.

You will doubtless remember that accounts are payable in full early in the month following purchase.

THE J. L. HUDSON COMPANY

Notice "C"—The Pink Notice

We know that you have not overlooked your Hudson account, because of a recent payment you have made. For many years, however, we have specified when opening accounts and rendering bills, that payment in full should be made each month for purchases of the preceding month.

We shall appreciate your cooperation by payment of future bills in this manner.

If we are at fault in any way, we shall be glad if you will advise us.

THE J. L. HUDSON COMPANY

NOTE: These notices are same size as those illustrated.

The following is a description of the uniform method followed by all of our credit men, in sending out these four notices:

Accounts to Which Notices Are Not Sent:

We do not send notices to customers on balances under \$5.00, or to those who have paid one-third or more of their previous balance during the current month. Also, we do not send notices to any customer who has called or written, making acceptable, special arrangements regarding payment of her bill, nor do we send notices in case of credit balances.

We believe we have previously called your attention to the overdue balance on the enclosed bill and we would greatly appreciate your usual prompt attention.

For many years when opening accounts and rendering bills, we have specified that payment should be made early each month for purchases of the preceding month. If anything has occurred, out of harmony with this understanding, we shall be glad if you will advise us.

We shall understand that additional purchases will not be added to your account until the overdue portion has been paid.

THE J. L. HUDSON COMPANY

Notice "D"—Green. Reproduced Actual Size

uniform and impartial plan. Different colors were used to guard against mistakes in sending the wrong notice. (Two of the notices, "A" and "D," are illustrated, actual size in this article.)

The wording of the other two follows:

Explanation of Use of Notices:

B—*YELLOW NOTICE:* This is sent to all remaining customers who pay less than one-third of their balances during the month.

C—PINK NOTICE: This is sent to all remaining customers where payment of less than one-third of their previous balances persists during the second month.

A—WHITE NOTICE: This is sent to all remaining customers who pay nothing on their bills during the month.

D—GREEN NOTICE: This is sent to all remaining customers who pay nothing for two consecutive months. This notice is also sent to customers where payment of less than one-third of the previous balances persists into the third month or where any account, which has previously received a white or pink notice, becomes more than ninety days old.

It was recognized that the complete success of our plan would call for accurate, intelligent and *actual* suspension of credit privileges at the right time. Unless this were done, none of our subsequent notices would command the necessary respect for our requests for payment. For this reason, at the time the printed "D" or green notice is ready to be enclosed with monthly statement, the following procedure is followed:

The green notice is stapled to the folded statement in such a way that the statement cannot be opened without tearing apart the portion that is stapled. This insures the attention of the customer. No other form of notice or advertising is enclosed with any of our bills containing the printed collection notices.

Before the statement is released for mailing a typewritten list is prepared in triplicate on a form called, "*Notice to Authorizers to Restrict Accounts*." The statements are then mailed and two copies of the typewritten list are handed immediately to the Authorizing Department, so that the indexes are restricted by the time the customer receives her bill the next day. After that time no charges of any kind are passed, *unless* the bill has been paid or the customer has made a satisfactory explanation or promise to the Credit Department.

Notices "A" and "B" were first mailed on July 1, 1933. Notices "C" and "D" could not, of course, be used until August 1, 1933, as they were used as a follow-up. In other words, we have had the plan in complete operation for fourteen months. Results have been very satisfactory and we do not feel that we have lost any appreciable amount of good will. Collection percentages have risen to an average of about 62 per cent during the past ninety days, or about 17 per cent better than in 1929. The percentages for June, July and August were 64.0, 60.6, and 61.3 respectively. Our credit losses for 1933 were reduced to less than half of our losses for 1931 and 1932.

The number of people engaged in writing credit and collection letters has been cut in half and the number of people engaged in collecting bad accounts has been reduced one-third, in spite of the fact that we have a great number of uncollected suspense accounts from 1932 and previous years. Our aging of accounts on January 31, 1934, showed 96 per cent by amount to be less than six months old, compared with 91.4 per cent the previous year. This showing is very materially improved as of the present date.

We must frankly confess that our new credit policy does not always meet the wishes of all of our personal friends, as they probably feel more privileged to complain than others. It has, however, not displeased the rank

and file of our thousands of charge customers, as evidenced by the relatively few complaints received, which we do not think exceed in number the complaints received from the type of collection letters formerly used.

We kept a careful record of the kinds and numbers of complaints received during the first six months during which the printed notices were used. The first month we received 60 complaints, the second month 53, the third month 24, the fourth month 29, the fifth month 29, and the sixth month 27, or 222 in all. Of this total 121 were in response to the "A" notice, 22 in response to the "B" notice, 12 in response to the "C" notice and 67 in response to the "D" notice, which is the one suspending credit.

The number of notices mailed each month dropped from 16,127 the first month to 8,707 the third month and averaged about 11,300 per month for the six-month period, compared with an average total mailing of 72,000 monthly statements. We also kept a very careful record of the number of customers, who in their complaints, requested us to close their accounts, because of our change in policy. The total number of accounts actually lost for this reason, up to the end of the seventh month was eight.

In the first two months that we used printed collection notices we carried over about 2,000 statements beyond our regular mailing date. This was caused by leaving the determination as to the kind of notice to be sent until the day the statements were ready for mailing. We quickly learned, however, to mark our statements in advance during the last week of each month, to indicate what notice, if any, should be enclosed, subject of course to subsequent payments during the remainder of the month, which would obviously appear on the statement. The result was that since that time statements have been going out on the regular mailing date and the whole operation of enclosing notices does not delay us more than from thirty to sixty minutes.

Another great advantage of sending collection notices out with the monthly statements is that the bulk of our collection effort is shifted from the first ten days of the month to the last week of the preceding month. This relieves our Credit Department during the first ten busy days of the month and levels out a peak in our work, which permits greater efficiency.

I do not believe our new policy, could be successfully operated, except in a manner that would indicate that it is *automatic* and *impartial* in its application. I am convinced that it is more efficient, more economical and more satisfactory from the standpoint of both customer and store than the methods which we have followed in the past. I recommend it to you for your serious consideration and believe that no matter where you may be located or what your particular problem may be, you can find something in its application that will give you better results or reduce your expense.

» » »

New York Association's Annual Dinner-Dance October 20

The annual dinner-dance of the Associated Retail Credit Men of New York City, Inc., will be held at the Waldorf-Astoria on Saturday, Oct. 20, according to a notice received from A. B. Buckeridge, managing director.

Centralized Control and Authorizing of Branch Store Credits

By JANE FARRELL

Credit Manager, J. & J. Slater, New York City

IN ORDER to meet with the periodical changing of residential localities as well as to make it more convenient for our customers, we have, at the present time, three shops located in metropolitan New York. With the opening of these shops we were faced with a problem of controlling credits, without taking on unnecessary additional expense.

A decision had to be reached as to whether we were to carry a separate and complete organization at each branch shop with its duplicate records and additional help or whether we were to control everything from the main office. Well, figuring from an expense angle, it was decided for us that it would have to be handled from the main office—but how?

We, of course, had the regular credit application form with the information therein furnished by our customers, which we still continue to carry at the main office from which point all records, as well as billing, are carried on—but our biggest problem was to get to our branch stores the information carried in these files, *particularly in the passing of credits*. We first adopted the direct telephone line which helped in a way but did not seem to fill the job, especially where any discussion concerning an account arose between the sales clerk and the credit clerk.

Conversation did not leave any record and, of course, we were never able to pin responsibility on the offending one. Try as we would, things did not seem to run along smoothly enough; in fact, each charge meant just another worry for thirty days (maybe sixty days), with the result that we were always looking for something that would give us a more positive and, at the same time, speedier control.

Our first thought was to investigate every system that was being used in large and small retail organizations for the passing of credits and, after some weeks, we finally settled on one type of equipment—the Telautograph. This we believed would handle our communication problem and, we found later, more than fulfilled any of our expectations.

Our next difficulty was the finding of a more accessible means for the passing of accounts—this was solved by the adoption of the rotary visible index file so that today, with a number of “charge-and-take” transactions daily, it is just a matter of routine in the handling of this work.

In order to give you a more complete picture, let me explain just how this work is carried on. At our branch store, when a purchase is made, the clerk (after rendering every service and courtesy that is expected of him) delivers the purchased articles to the wrapping desk and turns his sales check over to the cashier who, in turn, without any unnecessary delay communicates via the Telautograph (which because of its secret and silent

method of operating does not embarrass the waiting customer) with the main office credit department. Here, our regular staff of clerks, having the visible index within its reach and without moving from the Telautograph instrument, merely locates the card and passes upon the account one way or the other.

Of course, not all of our accounts are unlimited—but when a limit has been set upon an account and that limit is passed it is referred to me for a further decision. However, where it is a delinquent account this information is also passed over the Telautograph with the amount owed as well as the date it was due. Our cashiers, through previous general instructions, know just how to approach a customer on such a matter and many times they have helped in the collecting of long overdue accounts, and many times have prevented us from taking any losses.

With all branches connected by Telautograph it is possible for us to be receiving inquiries from all of these branches at the same time and each receives just as quick attention. In fact, a complete transaction covering the inquiry from the branch store, which includes the searching of the records at the main office and the complete reply, can be handled in less than one-half minute.



"The Telautograph, we believed, would handle our communication problem. . . ."

Where a new account is opened at the branch store the information therein is transmitted by Telautograph to the main office, where as it is being received it is retransmitted (via Telautograph) to the local credit bureau with a request for an up-to-date report. If the customer is waiting, a rush report is requested. If the customer is not waiting but expects delivery the same day, the report

(Continued on page 19.)

September Trends--a Fast-Reading Summary

. . . A nation-wide cross section of facts and opinions on
retail credit-sales and collections for the month . . .

BEGINNING with this issue of The CREDIT WORLD, the Research Department will include a summary of the collections and credit-sales conditions throughout the United States and Canada, for the previous month. Inasmuch as credit bureau managers are in a strategic position to secure this information, the Research Department sent 157 questionnaires to as many credit bureaus, in order to secure this information, and 49 replied in time to be included in this issue of The CREDIT WORLD. Next month the number of questionnaires sent to bureau managers throughout the nation will be increased to 200.

Table I is a résumé of the information secured from the questionnaires. It indicates in a general way the collections and credit-sales conditions in the cities indicated. Cities have been divided according to districts in the same manner as in the collection percentages table on pages 16 and 17. Table II is a summary of the information contained in Table I.

Significant Facts

Collections decreased slightly in the New England states due to the textile strike. . . . The intense summer heat caused collections and credit-sales to decrease somewhat in the Middle Atlantic states. . . . The strike situation in the Carolinas has caused considerable nervousness among the buying public. . . . West Virginia has been favored with phenomenal increases in all lines. . . . Chattanooga has been badly affected by the textile strike. . . .

The outlook in the middle western states is very favorable. Credit-sales are continuing to show a healthy increase. Betterment has been observed continually during the early fall, particularly in the Clothing, Furniture and Dry Goods lines.

TABLE I

District and City	Collections	Per Cent Increase or Decrease Over August, 1934	Credit Sales	Per Cent Increase or Decrease Over August, 1934
1. Augusta, Me.	Good	+22.5	Fair	- 5.0
Manchester, N. H.	Fair	-10.0	Fair	-20.0
Providence, R. I.	Fair	- 1.0	----	----
2. Atlantic City, N. J.	Slow	----	Good	----
Rochester, N. Y.	Good	+ 3.2	Slow	- 4.0
Syracuse, N. Y.	Fair	+ 8.0	Fair	----
Pittsburgh, Pa.	Fair	+ 2.0	Fair	+ 3.0
3. Charlotte, N. C.	Good	+16.0	Fair	-12.0
Greensboro, N. C.	Fair	- 5.0*	Fair	- 5.0*
Charleston, S. C.	Slow	-20.0	Fair	+ 5.0
Charleston, W. Va.	Fair	- 4.0	Fair	+25.0*
Clarksburg, W. Va.	Fair	- 5.0	Fair	- 7.0
4. Miami, Fla.	Good	+14.0	Good	+26.0
Atlanta, Ga.	Good	+ 2.0	Good	----
Savannah, Ga.	Good	+20.0	Good	+25.0
Baton Rouge, La.	Fair	----	Fair	----
5. Little Rock, Ark.	Fair	----	Good	+30.0
Jefferson City, Mo.	Fair	- 2.0	Good	+35.0
St. Louis, Mo.	Good	+ 3.5*	Good	----
Springfield, Mo.	Fair	+ 5.0	Good	+15.0
Chattanooga, Tenn.	Slow	-10.0	Slow	-25.0
Knoxville, Tenn.	Fair	+ 9.0*	Good	+27.5*
Nashville, Tenn.	Fair	----	Good	+30.4
6. Springfield, Ill.	Fair	+ 1.5	Good	+ 9.0
Detroit, Mich.	Slow	----	Good	----
Grand Rapids, Mich.	Fair	+ 2.0	Fair	----
Toledo, Ohio	Fair	- 5.0	Fair	+ 3.0
Madison, Wis.	Fair	-12.0	Good	+12.5
Milwaukee, Wis.	Good	+11.2	Fair	----
7. Minneapolis, Minn.	Good	----	Good	----
Lincoln, Neb.	Good	+ 3.5*	Good	+20.0*
Omaha, Neb.	Good	+ 5.0	Fair	+ 3.5
Sioux Falls, S. D.	Fair	+ 5.0	Good	+12.0
8. Carlsbad, N. M.	Good	+15.0	Fair	----
Amarillo, Tex.	Good	+ 9.5	Good	+18.4
Austin, Tex.	Good	+ 4.6	Good	+25.0
Galveston, Tex.	Good	----	Good	----
San Antonio, Tex.	Good	+ 3.0	Fair	+ 8.5
Houston, Tex.	Good	+ 8.0	Good	+30.0
9. Tucson, Ariz.	Good	+10.0*	Good	+23.0*
Denver, Colo.	Good	----	Good	----
Cheyenne, Wyo.	Fair	- 2.0	Good	+ 5.0
Casper, Wyo.	Fair	----	Good	+25.0
10. Lewiston, Idaho	Fair	+ 2.0	Fair	+ 5.0
Anaconda, Mont.	Slow	----	Slow	----
Seattle, Wash.	Fair	+4.3	Fair	+ 0.1
11. San Francisco, Calif.	Good	+ 5.0*	Fair	+ 6.0*
Santa Barbara, Calif.	Good	+ 5.0	Slow	- 9.0
12. London, Ont.	Fair	----	Good	+25.0
Ottawa, Ont.	Good	+10.0	Good	+10.0
Winnipeg, Man.	Good	----	Good	+21.0
Victoria, B. C.	Good	----	Fair	+ 5.0

*As compared with September, 1933.

Many farmers in the rural sections have begun paying on old accounts. Government aid has placed a flow of money in the rural sections which can greatly be noticed. Purchases seem to be restricted to necessities rather than luxuries. . . .

Collections and credit-sales have shown marked improvement in the northwestern states during the past four months. . . . Nebraska reports that firms are generally reporting less outstandings at the present time than a year ago in spite of the increase in credit-sales. . . . New Mexico reports that merchants are experiencing a normal fall upturn emphasized by the increased activity in the oil fields and in the potash industry. In the rural sections of New Mexico a slight decrease in credit-sales was noted, due to cash placed in circulation by cotton pickers. . . .

Collections and credit-sales in Texas continue to increase. Austin reports cash business has decreased somewhat and credit business increased considerably over last year. . . . The effect of the drought was not as serious in the San Antonio area as in 1933 and prices for farm and ranch products are much better. . . .

General business conditions in the credit jewelry business for Denver appeared satisfactory. The trend for the first nine months indicates that Christmas business for the remaining three months will surpass that of 1933 and is regarded as a certainty rather than a hoped-for possibility. . . . The decrease in collections in Wyoming is attributed in part to the opening of school and the diversion of money into different channels other than payment of previously contracted obligations. Cold weather caused a decided spurt in credit sales of a great many commodities. . . .

Montana reports that due to the prevailing strike; conditions have been abnormal and there have been but few pay days during the past month. . . . California reports the usual increase in collections and credit-sales. . . . Canada reports the usual increase in collections and credit sales—Winnipeg reporting that collections and credit sales are exceptionally good.

TABLE II
RECAPITULATION

	Collections		Credit Sales	
	Cities	Per Cent of Total	Cities	Per Cent of Total
Good	22	44.8	25	50.0
Fair	22	44.8	19	39.5
Slow	5	10.4	4	8.4
No reply	--	----	1	2.1
Total	49	100.0	49	100.0
	Collections		Credit Sales	
	Cities	Per Cent of Total	Cities	Per Cent of Total
Increase	27	56.3	27	54.1
Decrease	10	18.7	8	16.7
No reply	12	25.0	14	29.2
Total	49	100.0	49	100.0

News of Credit Women's Breakfast Clubs

Seattle Club and Credit Managers Hold Joint Picnic

The Seattle Credit Women's Breakfast Club and the Associated Retail Credit Managers of Seattle recently held a joint picnic at the delightful Fletcher's Bay Resort on Bainbridge Island—a beautiful boat trip across the Sound. The day was perfect for the swimming and the games held, and everyone, including the youngsters, was enthusiastic about the grand time they had. This getting together with the Association members is a fine idea and makes the kind of contacts that help us in our daily work.

—ELIZABETH COBURN.

* * *

Spokane Club Four Years Old

The Spokane Credit Women's Breakfast Club held their Annual Autumn Dance, Thursday, September 27, with about five hundred persons in attendance. On October 11, we will have our annual banquet and election of officers, at which time we will celebrate our fourth birthday.

—EDITH M. HOYT.

* * *

Vancouver Club's Second Anniversary

Our Second Anniversary Breakfast was held on September 12, with very gratifying attendance. Our membership has increased rapidly the past year and we hope that it will be even better during the coming year. Mrs. Margaret Taylor of Tacoma was the guest speaker and to celebrate the occasion we had a large birthday cake, with appropriate decorations.

We are very busy at present planning our Fall Dance, which will be held at the Commodore, October 16, with Miss Toddy Beattie as General Convenor. We feel this dance will be a huge success as we have a very peppy and enthusiastic committee working hard together with all the members of the club.

—BEVERLEY WISHART, Secretary.

* * *

Portland's Employment Committee In Action

The Portland Credit Women's Breakfast Club is well on its way with its "Employment Committee." We have several women listed for positions and have already placed one. We believe our efforts in this line will be successful. The credit men have promised to cooperate with us and call Mrs. Laura Irwin, chairman of this committee, when they need office help.

Our next breakfast meeting, October 3, will be a rather unique one, we believe. It is to be held at the regular hour of 7:00 a.m. and in the offices of the Credit Reporting Company and the Retail Credit Association. Mr. John N. Keeler, bureau manager, was kind enough to invite us and he and his crew of workers will show the club members through the offices immediately after the breakfast is served. From the number of reservations being made, we look for a record attendance.

We extend hearty congratulations to the new Credit Women's Breakfast Clubs at Victoria, B. C., and New Westminster, B. C. (*Are we growing?*)

—(MRS.) CATHERINE DAVIS.

Mechanical Age-Analysis of Accounts Reduces Work -- Speeds Collections

By LOUIS SELIG

Credit Manager-Controller, Rosenfield Dry Goods Co., Baton Rouge, La.

IT HAS been said that a straight line is the shortest distance between two points. This one sentence expresses my views as to what age-analysis of accounts can and will do. In other words, it is the most economical and practical manner in which to keep a close watch on accounts.

Most credit executives and controllers think of analyzing accounts as a very difficult undertaking, and I may confess that I was of the same opinion. However, for quite some time I have wanted this information but always felt that perhaps our organization was too small to undertake this work. Like the retail method of inventory, we have found that the expense attached is very small, the work entailed very easy, and the results far more beneficial than we had ever hoped for.

Before we installed age-analysis it was necessary for us, at the time statements were mailed, to lay aside those accounts that needed attention, in order that some reminder or sticker could be placed on the statement. We then made an alphabetical list of these statements for further reference. After the 10th of the month we checked this list against our ledgers to ascertain whether any of the accounts had been paid or paid on, and to those that had not we wrote, calling attention to their account.

This same procedure was followed up ten days later, which gave three reviews a month of all accounts that needed attention. Some may feel that making this list was additional work, but we have always felt it was a timesaver, as it was not necessary when we began our letter writing to review all of our accounts when only a part needed attention.

Our posters, at the end of each month, made an itemized list of all accounts for trial balance purposes and this list was turned over to our authorizers and the total amount of the customer's account was posted on a card kept in a Rand visible file. The authorizers then posted daily in the credit column the payments made. This entailed some work, but we did feel that we had a true picture of the account which we would not have had in the ledger, and we could also give a more intelligent report to the Credit Bureau.

Age-analysis has eliminated three-fourths of this work, but in this way: Our ledgers for accounts are closed on the 28th of the month. On the morning of the 29th our posters immediately begin to age accounts, making, *in one operation*, the customer's statement for the coming month, placing the balance due in the balance column and also making two copies of the age-analysis. After this operation the statements are placed back into the trays and, the age-analysis is begun, the posters having before them the previous month's aging and merely advancing the amounts unpaid one month.

This operation is better explained by referring you to the two forms (No. 3 and No. 4) which are shown in the plate accompanying this article.

We have six thousand active accounts and this work is handled by two girls, in two to three days, working only six hours a day. The analysis is done mechanically on the Elliott Fisher bookkeeping machine, which we have found to be most proficient. The work as stated is practically automatic, the totals for the different months being accumulated in the registers of the machine, and when the work is completed we have a complete trial balance of all accounts in total, as well as the amounts which are one, two, three, four and five months old—and older.

This work could be reduced further should we use an Addressograph, as the names on the statements and age-analysis sheets could be run off in an hour's time and we feel that if this were done the aging would take much less time. By having statements headed up with address and amounts, the posters lose no time at all when they start to post, as all statements are made. Another advantage is that all statements are mailed at the same time as it is not necessary to delay any for listing, etc. When the aging has been completed one copy is used by the authorizers as their guide for approving accounts, and one copy referred to the Manager of Credit Sales for inspection.

The daily payments are posted each day by running a line through the accounts that are paid in full and making an ink notation on the ones that are not, as per our illustration.

This practically covers the aging of the accounts so far as aging is concerned, but it now proves its worth for collection procedure. On the 11th of the month we review these sheets to see on which accounts payments have not been made, and to those that need a reminder we send cards as per our forms 1 and 2. This card plan has proved to be one of our best collection helps. First of all, one stenographer can fill in the cards that are to be mailed in one to one-and-one-half days, whereas if a letter were sent it would take three to four days. A notation is made beside the names of the accounts to show that they have received this card; and on the 16th the aging is again reviewed and letters sent, making a note also that Letter No. 331 has been mailed. You will note that in all of our letters we not only call attention to the account *but also to the age of it*. This impresses the customer with just what portion of her account is past due.

This same procedure is followed again later in the month and another letter mailed. The following month, when the accounts are reviewed we have before us last month's analysis and can see at a glance what effort has been made to collect the account. Now letters of a harsher tone are sent, always calling attention to the status of the entire balance of the account. Before we

had this set-up our accounts, as I said, were reviewed, three times monthly. Today they are continually being watched as, during any spare time we have in the credit department, we are glancing through the accounts—either sending out personal letters or using the telephone endeavoring to get some definite date for a payment from the debtor.

We now have a definite list of all inactive accounts; and at the end of the month on all statements that do not have any purchases we place some message, asking the customer why she did not use the account. We have been able to revive quite a few accounts in this way and also have been able to clear from our trays accounts

(Continued on page 27.)

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>We are appreciative of your patronage and will always welcome the opportunity to serve you.</p> <p>May we direct your attention to your account, which perhaps, has been overlooked.</p> <p>ROSENFIELD DRY GOODS COMPANY.</p> </div> <p>Analysis of your present balance of \$_____</p> <table border="1" style="margin-top: 5px; width: 100%;"> <tr><td>5 Mon. and over</td><td>4 Mon.</td><td>3 Mon.</td><td>2 Mon.</td><td>1 Mo.</td></tr> <tr><td colspan="5" style="text-align: center;">Journ #1</td></tr> </table>	5 Mon. and over	4 Mon.	3 Mon.	2 Mon.	1 Mo.	Journ #1					<p>ROSENFIELD DRY GOODS COMPANY LIMITED Corner Main and Third Streets BATON ROUGE, LA.</p> <p>--MODEL LETTER # 343--</p> <p>Dear Mr. (or Mrs. Blank):</p> <p>Usually we find that good customers like you prefer to be reminded when monthly settlement of our account according to terms has escaped their notice, especially during the summer months when statements are apt to arrive during vacations and be overlooked.</p> <p>So we have no hesitation in sending you this friendly reminder that your account is due now and some past due. Your remittance now will bring the account back to its current status and we will be very appreciative of your cooperation.</p> <p>Sincerely yours,</p> <p>Credit Manager</p> <p>Analysis:</p> <table border="1" style="margin-top: 10px; width: 100%;"> <tr><td>\$10.00</td><td>4 Months</td><td>3 Months</td><td>2 Months</td><td>1 Month</td></tr> <tr><td>\$4.00</td><td>\$2.00</td><td>\$2.00</td><td>\$2.00</td><td>\$2.00</td></tr> </table>	\$10.00	4 Months	3 Months	2 Months	1 Month	\$4.00	\$2.00	\$2.00	\$2.00	\$2.00																																																																																			
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Membership Campaign Under Way

THE new nation-wide campaign for more National members is now definitely under way and will be in full swing by the time the next issue of The CREDIT WORLD is off the press. The regional and state set-ups are nearly all complete, although some are not published in this issue because in some regions acceptances are still to be obtained from one or two state chairmen.

We hope to be able to publish a complete list of regional and state chairmen in the November issue and our

Membership Prizes

To each individual securing 3 new National members, a solid gold N. R. C. A. emblem button.

* * *

To each individual securing 5 new National members, an autographed copy of President Reed's book *Credit Department Salesmanship*—with a special presentation flyleaf.

* * *

To each individual securing 10 new National members, a N. R. C. A. emblem ring—solid gold—properly inscribed.

* * *

To each individual securing 18 new National members, all of the above.

* * *

To each Regional, State and Local Chairman showing greatest increase over quota—

First Prize—Individual* fountain pen desk set (two pens). Retail value \$50.00.

Second Prize—Individual* fountain pen desk set (two pens). Retail value \$40.00.

Third Prize—Individual* fountain pen desk set (two pens). Retail value \$30.00.

* * *

The Association Trophy

To the Local Association—a recognized unit of the National Retail Credit Association—enrolling the largest number of new members over its quota we will present an appropriate trophy, with proper inscription, to be permanently retained by the winning Association.

This applies only to retail credit granters. The Credit Bureau managers will continue to solicit memberships under their present 5-Point Membership Plan. However, all new members secured by Credit Bureau managers under this plan may be included in the total number of members reported by the Local Chairmen.

Each new member will be entitled to the collection help materials specified in our "5-Point Membership Folder."

*Each fountain pen set will bear a special plate, inscribed with winner's name, the National emblem, and the words, "Membership Trophy, 1935."

listing below shows the regions which are already completed.

Membership materials and complete working details have been sent to all the regional and state chairmen and in some regions membership work is already under way. In Kansas City for instance, as is noted elsewhere in this issue, the membership campaign is in full swing and the local Association has set its goal at 100 new National members.

From the enthusiasm displayed by those who have undertaken the campaign, we have every reason to feel confident that it will be successful even beyond our expectations.

The final result of this campaign, however, will depend on the active and wholehearted support of every individual member and as an incentive for individual effort, a list of prizes is shown with this article.

Every individual has the right to compete. Every member has a chance to win one of the prizes offered. Progress of the campaign will be shown in the November issue of The CREDIT WORLD.

Meanwhile: Let's Go!

> > >

Regional and State Chairman

DISTRICT No. 3

Regional Chairman—C. P. Younts, Frank T. Budge Co., Miami, Fla.

Florida: Everett Sumner, Florida Power Corporation, St. Petersburg, Fla.

Georgia: James M. Clyatt, J. P. Allen & Co., Atlanta, Ga.

North Carolina: L. A. Murray, Meyer's, Greensboro, North Carolina.

South Carolina: R. K. Stansell, Retail McHts. Credit Bureau, Greenville, South Carolina.

DISTRICT No. 4

Regional Chairman—H. C. Stroupe, Memphis Power & Light Co., Memphis, Tenn.

Alabama: L. M. Karpeles, Burger-Phillips Co., Birmingham, Ala.

Louisiana: L. Selig, Rosenfield Dry Goods Co., Baton Rouge, La.

Mississippi: W. C. Durham, R. E. Kennington Co., Jackson, Miss.

Tennessee: C. W. Brandon, Sterchi Bros. Stores, Inc., Nashville, Tenn.

DISTRICT No. 6

Regional Chairman—B. F. Collins, Warner Hdwe. Co., Minneapolis, Minn.

Iowa: Dean Ashby, M. L. Parker Co., Davenport, Iowa.

Minnesota: Lambert S. Gill, The Emporium, St. Paul, Minn.

Nebraska: H. O. Wrenn, Nebraska Clothing Co., Omaha, Neb.

North Dakota: J. Krohn Herbst, Herbst Dept. Store, Fargo, N. D.

South Dakota: (Announcement Later.)

Manitoba: F. W. Funk, Hudson's Bay Company, Winnipeg, Man.

DISTRICT No. 8

Regional Chairman—A. S. Jacobs, Popular Dry Goods Co., El Paso, Tex.

Texas: Robert A. Ross, Neiman-Marcus Co., Dallas, Texas.

DISTRICT No. 11

Regional Chairman—H. Price Webb, L. Hart & Son Co., San Jose, Calif.

Northern California: J. M. Duncan, Standard Oil Co., Los Angeles, Calif.

Northern California and Hawaii: Earl Casey, Hale Bros., Inc., Sacramento, Calif.

Nevada: D. P. Holmes, Nevada Credit Rating Bureau, Inc., Reno, Nev.

» » »

Joint Meeting of Credit Granters and Bureau Managers in Wisconsin

The credit granters and credit bureau managers of Wisconsin will hold a joint meeting in Madison, October 10, 11. National President Charles M. Reed and National Director Aug. C. Wehl will be present, also Honorable Lawrence McDaniel, General Counsel of the National Association, who will address the meeting on the 10th (Wednesday) and will be toastmaster at the banquet that evening.

It is planned to organize a state-wide association of retail credit granters at this meeting.

« « «

Credit Granters Honor National Director Horner

The Associated Retail Credit Men of St. Louis will honor their newly elected National Director, Mr. E. F. Horner, of Kline's, Inc., at a special meeting of the Association, Oct. 11, 1934, at the Coronado Hotel.

The President of the St. Louis Association, Mr. Walter Cassmeyer, of the Merchants Ice and Coal Co., and Mr. Harry Goodman of the Motor Finance Co., who is Chairman of the Entertainment Committee, are arranging a number of the "high lights," and will make the meeting a very outstanding one.

St. Louis is very happy to be able to honor Mr. Horner in this way as he has been active in the Association for more than

fifteen years, has served as President of the Credit Bureau, also served as President of the Credit Men's Association, and has been a member of the Board of Directors of the Credit Bureau, since he has been identified with Kline's.

Mr. Horner will go far in the councils of the National Organization, and he will prove a real factor in the Building-Up Program that is now under way.

—A. J. Kruse.

E. F. Horner



Now—Baton Rouge Has "Supper Club"

The credit women of Baton Rouge claim credit for having the first credit women's club in the South, and also the first credit women's "Supper Club." The first meeting was held on the evening of September 20, with 20 credit women present. Miss Marion O. Brooks of Belisle's was elected president; Mrs. Grace Miller, Rider Jewelry Company, vice-president; and Mrs. Doris Colomb of the Retail Merchants Credit Association, Secretary-treasurer. Membership in the club is open to women interested in collection work and credit granting. Secretaries of physicians will also be included.

Louis Selig, Credit Manager-Controller of Rosenfield Dry Goods Company and President of the Retail Merchants Credit Association and William Decker, Secretary of the Association were speakers at the first meeting. Miss Brooks, the newly-elected president, is one of the outstanding credit executives of Baton Rouge and is second vice-president of the Retail Credit Association of which she is a charter member. She has also been on the Board of Directors of the local Association for a number of years.

» » »

"Pat" Carr Opens Own Store

His many friends throughout the Association will be glad to learn that Mr. P. H. (Pat) Carr, former Vice-President of the National Retail Credit Association, is one of the incorporators of a new clothing store in Minneapolis, according to a letter just received from Mr. B. F. Collins, President of the Retail Credit Association of Minneapolis, which we quote below:

"You might be interested to know that we have already signed up a very distinguished member in the Minneapolis Association in the firm of Carr, Dolan & Hahn, Inc. This store is a very complete men's furnishing establishment occupying three floors on a main corner in Minneapolis and will be known as 'Carr's.' This company was organized by and has as its president our old friend Mr. Pat Carr."

The National office extends its congratulations to Mr. Carr and a hearty welcome to the new firm of Carr, Dolan & Hahn, Inc.

» » »

Have you adopted the title—"Manager of Credit Sales"—recommended at our Memphis Convention?

» » »

Kansas City Sets Goal at 100 New Members

Mr. H. J. Burris, Manager Monthly Accounts Sales, John Taylor Dry Goods Company, Kansas City, Mo., and Regional Chairman for District No. 7 in the new membership drive writes: "You will note from our Association bulletin that we already have a campaign under way for 100 new members. I think I am safe in telling you that we will attain this goal if not beat it. If you can get equally as good cooperation from the better organized locals throughout the country, this alone will make a fine increase in National membership."

Russell O. Casemore, Credit Manager of Kline's (Kansas City), is Local Chairman and has built a list of approximately 400 prospective members for the membership teams to "follow through."



The Human Side of Credit Granting

By EMIL C. JEDLICKA

Credit Manager, Shukert Fur Company, Kansas City, Missouri

IN THE troublesome years that followed the Civil War, Marshall Field, the Chicago merchant, had to find a yardstick for measuring credit. The store could not do a cash business. It had to extend credit. Credit agencies were lacking, so every merchant had to be his own judge.

Field decided that *character* should be given foremost consideration. He put his trust in customers who led sane and regular lives, who had the respect of their neighbors, and who had steady employment at useful work. He refused to deal on a credit basis with spend-thrifts and adventurers, however tempting their trade might be.

So successful was this policy that Field concluded that character-building agencies were a mighty asset, and he donated liberally to those institutions who taught the principles of right living. Since he considered the church foremost amongst these, the windows of his store were curtained on Sunday, a practice that is still followed. Not until hard times descend on us do we find that the millionaire of yesterday may be penniless today, and what is worse, perhaps, a knave who will not hesitate to escape his obligations.

The almost universal extension of credit in our day has led to the development of agencies which assemble minute data on the trustworthiness of individuals. The modern business man telephones a credit bureau and obtains a rating on a prospective customer. The perfection of this system has blunted our sense of values. The tendency is to give less weight to character and integrity and more to financial statements.

The ability to pay is part of every credit transaction. Credit is an invisible medium and should not be extended only on what the customer has but a whole lot on "what he is." Credit is based on faith and confidence—faith in the customer's promise to perform. Credit is earned not bought or inherited by the individual.

The credit department is one of the strongest sales producers in an organization, and yet it does not deal in merchandise, which can be seen, felt, or compared, but deals with the intangible thing called "good will."

I have often had this thought in my mind as I listened to the discussions in our local weekly meetings and have wondered if we were not forgetting entirely too much about the human side of credit granting, and placing too much stress on that part of the report that said "he pays in 30, 60 or 90 days." Overlooking that part which told the story of the man as follows: "He is 30

years old, owns his own home, has several children, is well regarded, and is considered reliable."

If a man has the above-mentioned qualities and tells you when he will pay for his purchase you can bank on him that he will pay as promised. Even when credit was granted in years gone by, they never failed to agree on time of payment, and that is where we fall down in passing on a 30- or 60-day item. *We have not the understanding with our customer direct as to time of payment.*

The above thought brings to my mind the value of one's given word, and what it really meant in the old days. Also how our forefathers granted credit *only* on that word of honor (if you will) and a handshake in place of a signature.

Well do I remember accompanying my father when he took a prospective buyer with him to inspect a cow or horse in the pasture. After the price was agreed upon Father would say: "And when can you pay for it?" and the buyer would reply: "In September, when I sell my wheat." Father would say: "All right, let's shake on it." They would shake hands, close the sale, and that word of agreement passed between them, sealed by a handshake, was held as a sacred trust and was faithfully kept. It was a definite understanding as to price and time of payment and there was no evading the handshake.

The credit granter of today has a real task before him. He may be described as one who is interested in the customers before him, one who has a smile for them, one who will listen to their troubles, and will make them feel that he is their friend and will help them out of their difficulties when they come to him. He has a real human task before him.

We all have customers that we have depended upon year after year to buy and pay regularly. Many of these are struggling on incomes which have diminished and dropped off. They are looking for and are entitled to our assistance. If we apply the human side of our work to these customers, help them to feel that we (our store and especially the credit department) are their friends and will stand by them, we can collect their accounts in full, gain their undying gratitude, and build more good will for our individual store than we can in any other way. These customers appreciate a kind word, appreciate our interest in them, and will repay us by bringing their friends into our store and saying a good word for the credit department.

That this same thought comes to other credit men is evident from the following paragraph from a recent issue of *The CREDIT WORLD*:

"Reference is made here particularly to those accounts made by individuals who were formerly prompt pay, but who through financial reverses are unable now to pay their debts when they become due. Every credit man realizes the importance of keeping these accounts alive, but you cannot press the collection of these accounts too hard for this evokes the ill will of these debtors and as a result they are lost to the firm as future customers. We are assuming that in most instances the straitened circumstances of the majority of these debtors are in a measure temporary."

When you realize that the merchants of the country are carrying about 15 billion dollars on their books of which 8 billion dollars is 60 days past due, you can appreciate the opportunity the credit granter has to apply the "human touch" to reducing this great volume of overdue items.

In an article written by Mr. Dean Ashby of Davenport, Iowa, he states that there are unusual opportunities for the credit department to put in practice the retaining of the good will of a customer when collecting an account by human contact.

For some unexplained reason customers have some kind of a fear or dread of the credit department. They do not hesitate to come into a store to look at the merchandise, they enjoy it. Why? Because they can see what they are looking for, or pick up some new ideas about goods to be purchased; yes, but more so because they are met by salespeople who welcome them and assist them with their selections.

This attitude toward us must be overcome. Make your credit personnel so appreciative of the customers' value to your department that they will want to say, "I want to go and see your credit department." This can be accomplished only by meeting the customers as the salespeople meet them—by placing customers entirely at ease when they enter your department—by making them feel that they will not be embarrassed by too many direct questions. But instead they will be assisted in obtaining the purchases they wish to make.

Giving the right kind of friendship at the first approach or meeting will enable you to impress customers with your interest in them and then you have the way open to you. Impress upon them the mutual interest in the transaction and make them feel their responsibility to you for obtaining this credit service.

At no time have people been as ready to value contacts as at the present time. They somehow feel that what is past is gone, but once again we must build for the future. They will go most readily to that store that welcomes them and tries to understand them. So let's make our department one that will be as serviceable as any in the store—by applying the human understanding of the other fellow.

Do not overlook your salespeople. We have tried to educate them to credit terms in the past. That was well meant, but here we can accomplish much to our mutual good by a friendly discussion of the customers when we have a leisure moment. Too often we may have taken the stand that the salesmen were trying to put something over on us. If we would knowingly dis-

cuss an account with them we could learn much to our advantage relative to this particular account. Salespeople very often get information from the customers during the time that they are waiting on them—information of value to the credit department but that is not always brought out in the credit application—as the customer does not voluntarily give such information. I have often obtained information that made my work in handling an account much easier by talking to the salesperson who waited on that particular customer.

Do not shut yourself up within the confines of your office, but be human and go to visit the other fellow. Why is a successful manager liked? Because he listens to the other fellow's views and then applies what he can to his own department.

We credit men and women can be the store's best salesmen and saleswomen if we add at this particular time the human side of credit granting. Be glad to have customers come to the credit department, meet them with a smile, take a keen interest in their affairs and you will be surprised how much credit information they will willingly give you that cannot be drawn out by direct questioning.

So let me leave with you the thought to sell your human side of your work to your customers, who will in turn pass it on to their friends, and they again will bring home to your boss the value of his credit department. By the increased popularity of your department—he will realize that it rightfully deserves the new title coined for it at the Memphis Convention: *The Credit Sales Department*.



at the **MELBOURNE HOTEL**

The life blood of a business house - its sales force - seated at the conference table planning the year's campaign! They chose the Melbourne because of the secluded quiet of its conference chambers - its excellent food - its central location with the finest theatres in St. Louis within one block - and, in these days of shortened budgets because of Hotel Melbourne's mighty reasonable rates.

Your sales conference will accomplish more, at less cost, if held at the Melbourne Hotel.

**400 ROOMS all with bath \$2.50 and more
ON U.S. HIGHWAYS 40 AND 61
with excellent garage facilities
O. R. GREAHOUSE Manager**

ON LINDELL BLVD. AT GRAND AVE. ST. LOUIS

Comparative Collection Percentage

This table shows comparative collection percentages for August, 1934 vs. August, 1933

DISTRICT AND CITY	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						FURNITURE STORES (Open Accounts)						FURNITURE STORES (Installment Accounts)						JEWELRY 1934 AV. HI. LO.						
	1934			1933			1934			1933			1934			1933			1934			1933									
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.							
1* Boston, Mass. Providence, R. I.	42.5	52.6	33.3	40.9	51.1	30.3	17.0	20.3	15.9	18.4	19.6	13.8	50.6	51.0	31.0	—	—	—	—	17.5	—	—	21.0	—	51.6	66.3	49.1				
2 New York City Pittsburgh, Pa. Syracuse, N. Y.	42.1	55.3	31.0	38.7	47.6	28.5	19.3	23.7	17.2	19.1	23.2	13.5	—	46.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
3 Washington, D. C.	34.5	44.3	32.8	—	—	—	—	—	—	10.5	13.4	10.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
4 Birmingham, Ala. Baton Rouge, La.	37.9	43.9	33.8	30.3	33.7	26.9	18.8	24.4	11.5	11.9	16.2	7.6	—	—	—	—	—	—	12.5	14.8	11.0	—	—	—	—	—	—				
5 Kansas City, Mo. St. Louis, Mo. Chattanooga, Tenn. Little Rock, Ark. Atlanta, Ga.	59.6	72.8	48.2	60.3	75.7	43.6	24.9	35.2	14.6	23.1	29.8	16.3	—	—	—	—	—	—	10.4	11.0	9.8	11.0	11.7	10.3	—	—	—				
6* Toledo, O. Grand Rapids, Mich. Milwaukee, Wis. Springfield, Ill.	43.1	51.5	37.8	40.0	48.2	33.8	19.6	27.4	14.6	17.9	23.2	15.3	—	56.1	—	62.9	—	—	30.0	—	20.4	—	—	39.0	—	—	—	—			
7 Duluth, Minn. Davenport, Ia. Cedar Rapids, Ia. Sioux City, Ia. Minneapolis, Minn. Omaha, Neb.	30.0	34.1	25.9	28.0	34.8	21.2	9.2	9.3	9.2	9.6	10.7	8.6	—	—	—	59.1	—	62.7	11.2	12.0	11.0	9.8	11.0	8.5	50.0	—	—				
8 Tulsa, Okla. Oklahoma City	37.1	45.5	34.9	32.3	34.9	26.5	17.3	20.3	13.4	17.8	20.3	17.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23.5				
9 Denver, Colo. Greeley, Colo. Salt Lake City, Utah	44.2	48.0	38.0	—	—	—	14.9	19.8	11.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	40.5	59.4	29.1		
10 Spokane, Wash.	38.2	46.0	34.1	30.5	35.0	25.3	14.9	17.1	12.9	12.1	17.1	10.8	—	—	—	—	—	—	10.2	13.2	7.3	12.2	18.3	6.1	—	53.4	—	—			
11* San Francisco, Calif. Los Angeles, Calif. Santa Barbara, Calif.	35.4	37.5	31.2	24.6	32.7	17.3	—	—	—	—	—	—	—	—	—	—	—	—	10.9	14.2	8.0	9.0	13.3	6.8	—	—	—	—			
12* Toledo, O. Youngstown, O.	39.5	52.0	37.1	31.5	46.3	30.8	18.8	19.3	15.4	19.1	19.1	13.0	—	—	—	—	—	—	8.6	10.0	7.3	8.4	8.5	8.3	—	54.0	—	—			
13* Vancouver, B. C.	39.5	44.8	31.6	21.1	26.4	10.4	—	—	—	—	—	—	—	—	—	—	—	—	18.9	24.2	14.0	17.1	24.9	13.2	23.2	32.0	17.1	—			
14* Hartford, Conn. Springfield, Mass.	46.6	47.8	45.4	35.2	41.9	28.5	17.1	17.5	16.8	16.5	17.6	15.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	38.6	—	—		
15* Youngstown, O.	45.5	46.3	44.8	—	38.4	—	16.6	19.8	13.3	—	14.2	—	—	—	—	—	—	—	11.2	—	—	9.8	—	—	—	—	—	—			
16* Hartford, Conn., Springfield, Mass. (bottom of table)	51.0	55.6	46.6	48.4	51.1	45.8	20.7	26.7	14.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
17* Toledo, O. Youngstown, O.	39.8	50.6	34.0	—	32.0	—	17.2	37.9	13.0	—	9.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
18* Toledo, O. Youngstown, O.	58.7	64.4	51.6	57.4	62.9	47.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
19* Toledo, O. Youngstown, O.	39.9	—	—	29.9	—	—	13.1	—	—	12.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
20* Toledo, O. Youngstown, O.	53.1	57.1	46.7	47.2	49.7	44.4	18.6	13.9	13.4	14.6	15.6	13.7	—	39.2	—	—	—	—	15.6	17.7	13.6	—	16.7	—	—	—	—	—	—		
21* Toledo, O. Youngstown, O.	52.6	57.3	45.0	45.6	53.4	39.1	12.8	22.8	8.0	12.2	16.7	6.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
22* Toledo, O. Youngstown, O.	42.4	43.7	39.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	45.2	—	
23* Toledo, O. Youngstown, O.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24* Toledo, O. Youngstown, O.	49.9	54.0	46.6	41.8	48.8	37.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
25* Toledo, O. Youngstown, O.	52.0	77.7	45.0	50.9	50.6	41.2	14.8	16.5	14.3	12.2	20.2	13.8	—	—	—	—	—	—	—	18.1	—	—	11.6	—	—	—	—	—	—		
26* Toledo, O. Youngstown, O.	43.0	51.9	30.6	38.3	51.4	29.3	21.1	34.7	14.2	18.7	32.5	13.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
27* Toledo, O. Youngstown, O.	58.2	61.9	47.2	53.0	60.3	46.1	21.3	29.6	16.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
28* Toledo, O. Youngstown, O.	48.7	—	—	47.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29* Toledo, O. Youngstown, O.	—	34.6	—	—	25.3	—	—	28.7	—	—	23.5	—	—	25.7	—	—	21.7	—	—	5.7	—	—	5.7	—	—	—	—	—	—	—	—
30* Toledo, O. Youngstown, O.	47.1	—	—	—	—	—	18.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31* Toledo, O. Youngstown, O.	—	—	—	32.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32* Toledo, O. Youngstown, O.	37.3	—	—	32.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33* Toledo, O. Youngstown, O.	66.8	67.2	66.3	55.3	57.4	53.3	27.2	30.1	24.5	24.0	27.9	20.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

NOTE: San Francisco tabulation also includes Oakland and Berkeley, California. Pittsburgh, Pa., Department Store tabulation includes Women's Wear Stores. Birmingham, Ala., Men's Clothing Store figures include Women's Wear.

*Hartford, Conn., and Springfield, Mass. (belonging in District No. 1), are included at the bottom of the table because their figures were received after the table was made up.

*The same (see preceding note) applies to Youngstown, Ohio, which should be included in District No. 6.

Compiled by The Research Department of the National Retail Credit Association

Percentages Continue Upward Swing

September, 1934, collection and credit-sales trends are summarized on page 8

²Laundry.

³Heating

Plumbing Supply.

5Lumber.

Paper and Paint.

Tap
?Coa

⁸Cleaning and Dyeing

Carpet and Rug Cleaning.

10 Tires, Gas and Oil.

11 Builders' Supplies

12 Auto Repair and Dealer.

13Grocery.

14 Stationery, Office Supplies.

STATION

15 Florist

16 Hardware.

27 Music.

18 Dairy.



The American Bar Association Considers "Unauthorized Practice of Law"

By HON. LAWRENCE McDANIEL
General Counsel, National Retail Credit Association

THE report of the standing committee on "Unauthorized Practice of Law" made at the 57th annual meeting of the American Bar Association at Milwaukee, Wisconsin, August 28 to 31 inclusive, 1934, starts with this significant sentence: "We have no hesitation in reporting to the Association that interest in the unauthorized practice of law has never been greater throughout the country than at the present time."

A questionnaire sent out by the committee during the year to lawyers in all states was prefaced by the following statement:

"The practice of law by unauthorized persons is an evil because it endangers the personal and property rights of the public and interferes with the proper administration of justice. It is not an evil because it takes away business from lawyers. If law work could be as well accomplished in the interest of the public by laymen, the requirements of honesty, learning and good character would not have been established and insisted on as conditions precedent to the right to enter the profession.

"As a matter of fact, unauthorized and, hence, unskilled practices are more apt than not to create business for the lawyer. If the practice of law is to be commercialized, then its standards will likewise be commercialized, and the personal and confidential relationship of attorney and client will become a thing of the past. We believe that the practice of law as a profession, with all the safeguards that now attend it, is vital to the true administration of justice, and that in the growth of unauthorized practices a real danger to the true administration of justice exists."

As to questions in which the members of the National Retail Credit Association are interested, the questions and answers are herewith given.

- Q. Are collection agencies in your state required to be licensed or bonded?
A. Yes, 60; no, 85, no answer, 13.
- Q. Do collection agencies in your community institute and prosecute actions in the name of creditors, using attorneys whom they employ, to enforce claims which they handle for these creditors?
A. Yes, 83; no, 62; no answer, 13.
- Q. Do collection agencies in your community, or assignees of creditors, institute actions to enforce assigned claims and charge for legal services thus rendered?
A. Yes, 40; no, 98; no answer, 20.

- Q. Do collection agencies in your community advertise that they furnish legal service?
A. Yes, 32; no, 109; no answer, 17.
- Q. Do credit associations in your community employ attorneys to handle claims of their clients on a fixed salary?
A. Yes, 24; no, 114; no answer, 20.

As the answers are not classified by states, it is not possible to tell which refers to your particular state. However, the questions suggest what the Bar Association has in mind.

On Thursday, August 30, the entire session was given to the subject of unauthorized practice of law. Numerous addresses were made and a discussion followed. The numerous cases against banks and trust companies which had all been decided favorably to the contention of the Bar Association were reported and discussed.

While very little was said regarding credit and collection agencies, yet one received the impression that the success in bank and trust company litigation had increased the interest and activity of the Association in all other matters in controversy and an active year is in prospect.

Of special interest was the report of Charles A. Beardsley, well-known attorney of Oakland, California, on conditions in California, where there has been much bitterness and controversy regarding unauthorized practice of law. It was stated by Mr. Beardsley that within the past year banks and trust companies, title companies, automobile clubs, credit bureaus, collection agencies and others

Editor's Note:

Credit bureau managers, managers of Supervising Collection Departments and their clients as well, will be interested in this article by Judge McDaniel who attended the 57th Annual Meeting of the American Bar Association.

The so-called "Unauthorized Practice of Law" has been a matter of discussion for some time, so this article deserves careful reading.

had raised a fund of \$200,000 for the purpose of putting through a legislative program in defense of their contended rights; that the Bar Association had raised \$50,000

for the purpose of combating the proposed legislative program; that it finally had been agreed that a committee representing the interests which were being opposed by the Bar Association and a similar committee representing the Bar Association meet and work out a plan whereby each interest would be justly and equitably treated; that rules and regulations be formulated as a guide to all those interested in the controversy and that pending the report of this committee and to give the committee ample time to hear all interested in the controversy, a three-year truce was declared.

If controversy arises—to each bureau and collection agency which is a member of the Association—it is earnestly recommended that this procedure be followed, if possible. If a committee of your local Bar Association and a committee representing the bureau, collection agency and other interest can meet and formulate rules and regulations just and agreeable to all, it will solve a troublesome and perplexing problem.

For the purpose of aiding attorneys for credit bureaus in determining questions of law arising in controversies with the Bar Association, the following list of cases is given for reference:

The following apply to individuals:

ALABAMA

Hendrick vs. State 120 *Southern Reporter*, 142.
Burke vs. State, 142 *Southern Reporter*, 832.

CALIFORNIA

Cohn vs. Thompson, 16 *Pacific Reporter* (2nd Edition), 364.

NEW YORK

Buxton vs. Lietz, 139 N. Y. S. 46; *in re Newman*, 158 N. Y. S. 375.

VIRGINIA

Bryce vs. Cillispie, 168 *Southeastern Reporter*, 653.

The following apply to corporations:

VERMONT

In re Morse 126 *Atlantic Reporter*, 550.

ILLINOIS

Midland Credit Adjustment Co. vs. Donnelly, 219 Ill. App. 271.

MASSACHUSETTS

Creditors National Clearing House, Inc. vs. Bannwart, 227 Mass., 579.

NEW YORK

Matter of Associated Lawyers Co. 119 N. Y. S. 77.

OHIO

United Mercantile Agency vs. Lybarger, 28 Ohio, Nisi Prius Reports 310.

Dworken vs. R. G. Dunn & Co. 5 Ohio Bar 375 (*Common Pleas, Cuyahoga County*, 1932).

Blake vs. Ohio Bureau of Credit 4 Ohio Bar, 613 (*Common Pleas, Franklin County*, 1932).

RHODE ISLAND

Grievance Committee vs. Clifford, 97 *Atlantic Reporter*, 975.

Creditors National Clearing House, Inc. vs. Thornley Supply Co. No. 91,799 *Superior Court of R. I.* 1934, not yet reported.

TENNESSEE

Grocers & Merchants Bureau vs. Gray 6 Tenn. Civ. App. 87.

State vs. Retail Credit Men's Association of Chattanooga 43 S. W. (2) page 918.

Centralized Control and Authorizing of Branch Store Credits

(Continued from page 7.)

from the bureau in the regular way gives us enough time to make a regular delivery.

At the main office our sales floors are entirely separated from the credit department and all sales here are treated just the same as they would be if they were made at any one of our branches. By that I mean the Telautograph is used for all transactions between these two departments. So you see, it does not make any difference to us whether it is from our sales departments in the main office or from one of the branches many miles away, each goes through the same routine. However, inasmuch as the main office is our busiest, we found it necessary to have duplicate Telautograph lines, instead of just single ones which are adequate for each branch store, to handle this work.

We, in the credit department, also assume full responsibility for the handling and cashing of all checks. Before any stores take it upon themselves to accept a check in payment of a purchase this information has to be forwarded to the main office where we, in turn, do the necessary checking and deciding.

We really believe that with our present set-up we can continue to open as many additional stores as we see fit and feel that just as soon as the doors are thrown open to the public that, by use of Telautographs, we will be prepared to furnish the new store or stores the same immediate action as if they had been part of our organization for years past.

Another thought, too, is to remember that the more sales a store makes the greater its profits will be. By keeping the sales department strictly to sales work and letting the credit department pass on credits we take the responsibility of bookkeeping, credits and the like away from the sales staffs, enabling them to concentrate all their time and effort on sales work only. This feature is appreciated more than you can realize—because the sales department does not want to be bothered with credits and the credit department does not want to be bothered with sales.

There is no doubt about it but that our present way of operating is not only far superior than if each store were operated as a separate unit, with different minds working along different channels, but the operating costs are much lower. (And who is not interested in that today?) In fact, the operating costs are so much lower that I believe the management of any "chain" or organization—operating at the present time or contemplating the opening of branch stores—should concentrate all of their thoughts along the lines of centralization. If they do this they will find their method of operating and control much easier, and their costs much lower.

Big business in the last few years has learned what centralization can do for it (what with our banks operating along these lines today) and even our old Uncle Sam has found that there is no reason why he should carry four or five departments when one will do the same work.

Youngstown Furniture Dealers' Community Credit Policy

YOUNGSTOWN, OHIO, has had a Community Credit Policy in operation since August, 1933. Now the furniture dealers of Youngstown have a policy of their own, a subsidiary policy so to speak, which was adopted February 10, 1934. The complete text of the policy, as adopted, follows:

It is recognized that the practice of buying furniture and household furnishings on the installment or deferred payment plan has become an accepted method by the American public. Realizing the fact that this class of merchandise is priced on the cash selling basis and that the expense of operating the deferred payment plan should be passed on to the customers wishing to take advantage of this service, we agree to adopt a uniform plan and a uniform carrying charge.

The carrying charge covers a portion of the cost of rendering such a service, the possible losses of salvage value of the articles sold on the plan in case it should be necessary to repossess the merchandise, and the usual risk of loss due to non-payment of the accounts for various causes (many times due to the moving away of the customers and the goods and the difficulty and expense of recovery in such cases).

1. The classes of merchandise to which this Policy applies are as follows:

Baby carriages, bedding, blankets, mattresses, carpets, rugs, cedar chests, furniture, infants' furniture, kitchen cabinets, refrigerators (non-electric), sweepers (vacuum and non-electric), kitchen furniture.

2. A Deferred Payment or Installment Account shall be defined as any account which is covered by a chattel mortgage on the merchandise for which the account is created. When payment of the account is agreed upon to cover a period longer than 60 days from date of sale it shall be considered a Deferred Payment Account.

3. DOWN PAYMENT (*See Exceptions*)

The required down payment shall be consistent with the kind of merchandise but should not be less than twenty per cent (20%) of the amount of the purchase.

Exceptions: Subscribers to this agreement are privileged to make exceptions to the 20 per cent down payment *in rare cases*.

4. CARRYING CHARGE

A carrying charge at the rate of $\frac{3}{4}$ of 1% per month for each month during the period covered by the contract will be added, with the understanding that if the amount is paid up in full within one month after date of purchase the carrying charge will be cancelled. An example of the application of this method would be as follows:

Amount of purchase	\$100.00
Less down payment (20%)	20.00
Balance	80.00
Carrying charge 10 months at $\frac{3}{4}$ of 1%—7½%	6.00
Balance plus carrying charge	86.00
Monthly payments (\$86.00 divided by 10)	8.60
Monthly carrying charge (\$6.00 divided by 10)	.60

On contracts covering periods of 1 to 18 months, the following rates of carrying charges shall apply, after deducting the amount of the down payment:

For 1 month	.75%	For 7 months	5.25%
" 2 "	1.50%	" 8 "	6.00%
" 3 "	2.25%	" 9 "	6.75%
" 4 "	3.00%	" 10 "	7.50%
" 5 "	3.75%	" 11 "	8.25%
" 6 "	4.50%	" 12 "	9.00%

For 18 months 13.50%

5. STRETCH OF THE ACCOUNT

The maximum terms to be allowed on balances up to \$50.00 will be six (6) months. On balances over \$50.00 and up to \$500.00 the maximum terms will be twelve (12) months. On balances over \$500.00 the maximum terms will be eighteen (18) months. Balances shall be interpreted to mean the amount of the sale less the down payment. No terms to be longer than eighteen (18) months.



After the house comes the furniture and—"it is recognized that buying furniture on . . . the deferred payment plan has become the accepted method . . ."

6. PREPAYMENT

As set forth above, if the entire amount is paid within one month of the date of the purchase the entire carrying charge will be cancelled. If the full amount is paid at a date later than one month after date of purchase, the customer shall be credited with that portion of the unearned carrying charge at the rate of $\frac{3}{4}$ of 1% for each

month of the unexpired term covered by the contract, and using the above example would be as follows:

The contract example shown in item 4 of this agreement covers a period of 10 months and if the same is paid in full during the sixth month, the customer would be entitled to a credit of the carrying charge for the last four months of the period, at the rate of $\frac{3}{4}$ of 1% per month, \$.60 per month for four months, making a total of \$2.40, leaving a net carrying charge to the customer in this case for six months at \$.60 per month or \$3.60.

7. ADDITIONAL CARRYING CHARGE

If the customer does not complete her (or his) payments according to contract but takes additional time, an additional carrying charge for the additional time shall be added to the account.

8. Nationally advertised articles, the price and terms of sale being covered by special contracts between the manufacturers and the merchants, are not to be considered as covered by this uniform plan, but shall be an authorized exception hereto.

9. UNIFORM APPLICATION FORMS AND CONTRACTS

It is recognized as a great advantage to all merchants if a plan can be worked out and adopted whereby uniform Application Blanks and Contract Forms can be printed and supplied at a low cost by the Merchants' Credit Bureau, and such a plan should be adopted if the demand for same is sufficient.

10. LAYAWAYS (WILL CALLS)

It is agreed that a carrying charge of one-half per cent ($\frac{1}{2}\%$) per month shall be charged on any Layaway balances unpaid after thirty (30) days on exactly the same plan as for Regular Accounts under the Revised Community Credit Policy dated August 28, 1933. Balances owing on Layaways shall follow the same ruling as Deferred Accounts after the merchandise is delivered.

11. This plan to be effective and binding on all Subscribers hereto on and after February 10, 1934.

We the undersigned members of the Merchants' Credit Bureau, agree to adopt the Furniture Dealers' Credit Policy dated February 10, 1934.

>>>

A Resolution from Detroit

In accordance with the request it contains we are publishing the following letter from Detroit:

At a meeting of the Board of Directors of the Retail Credit Association of Detroit, the following Resolution was adopted, and we are herewith requesting that you publish it in the next issue of The CREDIT WORLD:

Be It Resolved:

That the Retail Credit Association of Detroit do not approve the Resolution known as Number 1, entitled "Opposed to any affiliation with the Credit Management Group of the N. R. D. G. A." which was adopted at the Memphis Convention of the National Retail Credit Association.

That there are a considerable number of loyal members of long standing of the National Retail Credit Association who are also members of the N. R. D. G. A. Group and they can see no conflicting interests that should warrant such a resolution.

Yours very truly,

RETAIL CREDIT ASSOCIATION,
F. E. PARKER, Secy-Treas.

St. Louis Association Honors Jackson

The St. Louis Association on October 5 tendered Clarence F. Jackson, Credit Manager of the Famous-Barr Company, a testimonial luncheon in recognition of his having that day completed forty years of service with that company.

More than thirty representative credit granters of St. Louis were in attendance, and congratulatory messages were read from members throughout the country including one from Mr. L. S. Crowder, General Manager-Treasurer of the National Retail Credit Association, who is visiting local associations in the South.

The credit men of the May Company stores in various cities made a presentation of a beautiful combination electric clock and pen desk set bearing the following inscription:

"To Clarence Flavius Jackson, Dean of Credit Managers, May Department Stores Company, in honor of his fortieth anniversary of notable service to his employers and helpfulness to his colleagues."

The names of the donors were also inscribed.

Mr. Jackson is rounding out forty years of continued service with the May Department Stores Company and he is recognized as the dean of the credit fraternity, not only in his organization, but in this territory. Nowhere in the country do credit executives enjoy more completely the confidence and complete cooperation of the official family and all coworkers in their organizations, than does our friend Jackson.

The writer has been intimately associated with Mr. Jackson for more than a quarter of a century and it is a privilege to present him to the readers of The CREDIT WORLD, with this brief announcement.

Mr. Jackson was the first credit man in St. Louis to be elected President of the Credit Bureau. He was one of the small group who established the organization over twenty years ago and has served continually as a director in the local organization since that time. During the greater number of the years he has also been an officer or member of the Board of Directors, or chairman of a responsible committee of the National Retail Credit Association. He is still in his prime and will be a force for betterment in credit and collection conditions for many a year to come.

—A. J. Kruse.

<<<

Have you adopted the title—"Manager of Credit Sales"—recommended at our Memphis Convention?

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Nashville Charging Interest

As we go to press we learn that the merchants of Nashville, Tennessee, have adopted a policy of adding a carrying charge on past due balances, which is to be effective November 1, 1934. Statement inserts announcing the new policy as well as rubber stamp messages on the faces of the statements themselves, will inform the buying public of the new policy. We hope to have more details for the November issue.



WASHINGTON BULLETIN



R. PRESTON SHEALEY

Washington Counsel, National Retail Credit Association

FOREWORD

ONE would gather from the press that, where dissatisfaction with conditions in Washington may be widespread, it is due principally to NRA. That is not the writer's reaction. It is his belief that expenditures, believed in many quarters to be excessive, and thereby raising the spectre of increased taxation, are at the bottom of much of such criticism.

The resignation of Director Douglas of the Budget, said to be a determined foe of extravagance, has added to this feeling, but one wonders why. It was the Budget Office's unfavorable reaction to the proposed legislation in the last session, which would have authorized all government departments and bureaus to purchase credit reports, that played a large part in its defeat. Maybe a new director will look at this and other phases of how to reduce government expenditures, that it is to make each dollar expended go as far as possible, in a different light.

Legislative

A drive to solve some of the railroad problems in the next session of Congress was forecast in this bulletin in the September CREDIT WORLD. Additional evidence that this is an honest-to-goodness effort to help the railroads came to the fore on September 19, when announcement was made of the formation of the American Railroad Association with John J. Pelley, President of the N. Y. N. H. & H., as its president.

It is true that the railroads have been represented in Washington since 1917 by an organization known as the Association of Railroad Executives and in a lesser degree by the American Railway Business Association. Apparently, this representation did not, however, bring satisfactory results and hence the formation of the new organization. Railroad legislation will be much to the fore in the next Congress.

* * * * *

Are we going to have a fight in the 74th Congress reminiscent of Andrew Jackson and his successful fight to destroy the Bank of the United States? Conditions are different today and it is doubtful whether the arguments against such a bank, which then prevailed, will be popular today.

For this and other reasons, it is said that a bill creating a central bank of issue and reorganizing the Federal Reserve System will be introduced in the next Congress and may be strongly backed. All of the leading countries of the world have such banks and apparently have weathered the storm, so far as banking systems are concerned, better than has ours.

Departmental

The Department of Commerce has recently contributed an analysis of retail operating costs in St. Louis based upon the 1930 census of distribution. Conclusions reached indicate that in St. Louis while "actual dollar rentals are much higher in the central shopping district in many instances, these rentals are lower in proportion to sales."

On the other hand, "the average operating-expense ratio for all retail business combined is lower at locations in the rest of the city than in the central shopping district. Also, the ratios are lower in the rest of the city than in the central shopping district for most retail businesses, considered by kind, and for most retail businesses considered individually, except as to department stores, variety stores, coffee, tea, and spice stores, millinery stores, custom tailors, and radio and electrical shops."

* * * * *

Reference was made in our "Foreword" in the September CREDIT WORLD to the aggregate \$49,000,000,000 of retail sales in 1933 in the United States. It is estimated that for the first six months of 1933 the drop was greater than the indicated 48 per cent for the entire year since the improvement during the last half of 1933 offset the greater percentage of loss during the first six months. The summary indicates there were 1,520,339 retail outlets in 1933 against 1,543,158 of the same in 1929 or a net loss of 1.5 per cent.

The pay-roll loss was not, however, quite as great as the loss in sales volume, since for 1933 full time pay roll amounted to \$2,669,243,000 as against \$5,028,282,000 in 1929 or a net loss of 46.9 per cent. The average full-time employee's annual earnings for 1933 were \$992 as against \$1,312 in 1929 or an average loss of 24.4 per cent.

* * * * *

The "Census of American Business" figures concerning wholesale trades referred to in the September "Washington Bulletin" show the existence of approximately 160,000 wholesale establishments in 1933 as against approximately 170,000 during 1929. The net loss in sales of 55.9 per cent for 1933 as compared with 1929 shows a lesser drop in salaries and wages, the loss here being 45.3 per cent.

The figures, however, showed that the number of employees including full and part time did not decrease in the same ratio as net sales or even wages since the decrease here for the two comparative periods was 26.5 per cent; 1,179,358 in 1933 and 1,605,042 in 1929.

* * * * *

The Department of Commerce, with Dr. H. Gordon Hayes of the Economic Staff of Ohio State University Faculty in charge, is commencing a study of long-term indebtedness. This study is to be followed by a similar study of short-term indebtedness. By long-term indebtedness, of course, is meant mortgage and bond indebtedness.

Available funds of the Department do not permit data being collected by field representatives but it has been found that many of the government agencies, such as Home Owners' Loan Corporation, Land and Farm Credit Banks, and the Reconstruction Finance Corporation, have much of this data in their files. From these sources (together with semiofficial sources) it is expected the necessary data can be accurately compiled. It is not expected, however, that a report can be assembled much under a year.

Court Decisions

The Supreme Court is now in session but with a very small docket of cases awaiting argument—only thirty-two. One of these cases, however, that of *Irving Trust Co., Trustee in Bankruptcy, etc. v. Perry*, raises the question of provability of a claim for future rent. Decisions of the referee and of the District Court were adverse to the claim but the Circuit Court of Appeals for the 2d. Cir. (N. Y. Cir.) reversed these decisions and held that the claim was provable.

Appeal was taken by the trustee in reliance on *Manhattan Properties, Inc. v. Irving Trust Co.*, 291 U. S. 320, in which the Supreme Court ruled against a claim for future rent filed under a lease agreement which stipulated for the payment of such claims by way of liquidated damages. The decision in this case will be awaited with interest though much of its value, of course, is lessened by the recent enactment by Congress of Public No. 296, 73d Congress. This Act, as is well known, added Sections 77A and 77B to the Bankruptcy Act, providing for corporate reorganizations, and legislated in regard to such rent claims.

* * * * *

The U. S. District Court for Maryland has ruled that Section 7 of subsection (a) of Section 75 of the Bankruptcy Act, Frazier-Lemke bill, is unconstitutional. The case arose as a result of a foreclosure of a farm in Harford County, Maryland, through proceedings in the Circuit Court for that county.

Counsel for the Potomac Joint Stock Land Bank of Alexandria, Virginia, which held the mortgage on the farm, a government agency by the way, took the position that Section 7 violates the Fifth Amendment to the Constitution, guaranteeing that no person shall be "deprived of life, liberty or property without due process of law" and that in enacting the Frazier-Lemke Act Congress has exceeded the power granted by the Constitution to establish "A Uniform Act of Bankruptcy." As to the latter contention, District Judge Chestnut held that the "five-year moratorium for farmers" provision is "germane to the subject of bankruptcy" and, therefore, constitutional but that the amendment does deprive the owner of the mortgage of the guarantees specified in the Fifth Amendment to the Constitution.

As Representative Lemke of North Dakota, co-author

with Senator Frazier of the same state, of the Act, has issued a statement saying that the amendment was passed on as constitutional by the twenty-six distinguished Members of the House Judiciary Committee, it goes without saying that the controversy will finally reach the Supreme Court of the United States. A similar case has been argued in Kentucky but has not been decided as of September 21, 1934.

* * *

A Word About Community Credit Cooperation

The plan of the various retail business enterprises to exchange credit experience through the bureau has been in operation for a long period—has been tried and proved.

Every now and then some store elects to set up a "one-man plan." It operates for a little while then flops because this is the age of cooperation, and it is tough to go it alone.

While merchants and business men in general compete in the art of merchandising, there should be no loose, free-for-all granting of credit.

No man expects to travel to success on the soft mud road of carelessly selling merchandise on time to irresponsible people. The only sane way to avoid a costly detour is to stay on the good old proved, paved road of profiting by the experience of others.

The community credit bureau attempts to make it easy for the worthy to obtain credit, and just as difficult for the army of crooks and deadbeats to get their hands on the purse strings of honest business men.

—The Credit Bureau, Inc., Pittsburgh, Pa.



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"Credit Man--What Now?"

By J. C. RAYSON

Department Manager, Credit Service Exchange, Inc., Tulsa, Oklahoma

AFTER surviving five dark years of the most widespread depression within the memory of man—and through it all sticking to his ideals, keeping faith with fellow-workers—is it any wonder that Mr., Miss or Mrs. Credit Manager peers at the image in the mirror upon arising each morning and says, "What Now?" Not that the profession of credit granting has been more hectic during recent times than many others, but the big point is that credit executives, large and small, have been closer to the center of action.

They were on the receiving end of their employers' tales of woe because most employers felt that if the "C. M." would just do his duty enough cash could be realized out of the year-before-last-charge-off to put the business on "Easy Street" again. They had to listen to thousands of depression stories from customers who could not pay present balances or were seeking longer than the regular terms on anticipated purchases.

But now that the clouds have somewhat cleared away again, and the rising sun of commerce gives promise of a brighter day the credit executive can take stock. The result is that he sees his faith vindicated. He can point out, if you care to listen, that the only appreciable losses in accounts receivable were due to the unsound credit policies to which he objected, including competition in terms, the sale of terms instead of merchandise, too-small down payments, and installment payments extended beyond the life of the article.

He can point out from reliable figures that of all the assets remaining in the hands of merchants and professional men after the business storm, the receivables on those accounts which were carefully and properly opened were worth the highest percentage of their original inventory. Sure! Repossessions showed an increase in most lines, over certain periods. Why shouldn't they, with all the 40 to 60 per cent salary cuts we had? Still, the funny thing about it was that installment credits caused the least trouble of all. It may also be noted that some individuals who raised the greatest objections to all forms of credit have since been glad to place their applications down at the local HOLC office.

There now—is the unanswerable argument of actual experience with which to refute the accusations of other years that the credit system, either installment or open, is of itself a cause of a period of economic depression. We need not deny, however, that the misuse or abuse of the system, although it might not be an actual cause, could be a contributing factor to such a situation and a serious source of loss to those in any way connected with it. And it is no secret that such abuse of the system has been evident in your town and ours both during eras of prosperity and through periods of depression.

So we come face to face with the answer to our question: "Credit Man—What Now?"

In typewriting practice we used to write over and over again, "Now is the time for all good men to come to the aid of the party." Let's paraphrase that to read, "Now is the time for all credit granters to come to the aid of the profession." Does it sound too selfish? It's not, because the only way in which the members of the profession of credit granting can advance their own interests is by individual education, resulting in the group adoption of standardized methods which will at first lessen, then eventually eliminate the misuse and abuse of the consumer credit system, thus doing away with all but unavoidable credit losses arising from natural causes. That would benefit the credit granter, and place the credit user on a sound economic basis.

Of course the first objection to this is that in comparatively few instances is the Manager of Credit Sales in a position of such authority that he can form and put into full effect the credit policies of his firm. It is right that such policies should be established by the man or group of men who have their money invested in the business, for if the policy is wrong the loss will be theirs. It is also true that the manager of credit sales owes his loyalty first to his employer. Disloyal to the firm by which he is trustingly employed, he could never be a credit to his profession.

Examine, however, the business mortality records, even during the recent period of economic unpleasantness, and note the small percentage of failures among those firms which had grown to a point where they were large enough to have a credit policy and a credit sales manager to enforce it. It is reasonable from that to conclude that, in the vast majority of cases, individual store credit policies are economically sound.

Payment by the tenth of the month following date of purchase is universally accepted as "open account" terms in all ordinary consumer credit transactions. Credit reporting bureaus operated in much the same manner are found in most communities of more than three or four thousand population and are consistently used by the merchants and professional men of the district. Many other standardized customs have been generally accepted and not even questioned, by credit granter and credit user alike.

So we face the fact that perhaps the administering of a credit policy has as much to do with the abuse of the credit system as has the policy itself. Of course anyone would hesitate to lay the blame for the misuse of the consumer credit system upon the shoulders of any store owner or any individual credit manager, but it has been demonstrated that working in unison they can create

havoc with any community credit policy. So why not reverse it and by their working in unison bring about a condition of harmony?

If the owners of a store employ an accountant to oversee their accounting department, they instruct him to follow their individual methods of billing, setting up reserves for various purposes, and similar details, but they never tell him to discard the elementary principles of accountancy and base their profit and loss statement on the theory that two and three equal six, just because they want to do it differently from some other firm. Is it any more reasonable to believe that the manager of credit sales would be instructed to abandon the basic principles of consumer credit extension when those principles were as widely known and recognized as are the principles of accountancy?

Less than a quarter of a century advanced from the high desk and equally high stool, the black alpaca sleeve protectors and green eye shade, the potato pen wiper and the eighteen by thirty-six inch ledger, it is a source of wonder that the good mother "Necessity" had advanced us as she has! We could not be expected to compete with accountancy in the establishment of fundamentals. The legal profession has banded together in some communities to define the practice of law in various ways and to say that only its members shall carry on this practice. A recent newspaper item told of a county medical group suggesting legislation that a trained nurse could not be called on a case until a practicing physician had first been employed.

Some two thousand years ago the Nazarene found the lawyers on the job, and the practice of medicine goes back many centuries before that but members of those professions are still strongly united for the purpose of mutual advancement, thus, according to their own highest idea, making themselves of greater usefulness to those to whom they minister. Considering that credit granting has been on the job only twenty-odd years, it hasn't made such a bad start!

At the National Convention in Memphis last June a radical reorganization plan was adopted and during the three months which have followed, the executive officers have carried out the preliminary arrangements necessary to placing this plan in effect. Only the temporary limitations of time and finance prohibit a part of the expansion program which is contemplated.

Through transfer of the former Service Department to the National Consumer Credit Reporting Corporation, thus centralizing operating authority and expansion plans in one executive head, the prosperity of the former group and the permanency and growth of the latter have been assured.

By lifting somewhat the burden of maintaining membership in the National Retail Credit Association from the shoulders of the credit bureau managers and checking the problem squarely up to the credit managers themselves with the admonition that at present *not more than one-tenth of the available prospects for membership are on the rolls*, the membership body will be awakened to new action and new leaders will be found in every community. They will be found on the job at the new District Conferences and actively working on National Association Committees.

Through the new policy for The CREDIT WORLD to increase its field of usefulness—through research on a district and national scale and through the promotion of an enlarged educational program in all communities (large and small) the definite fundamentals of consumer credit granting on the basis of a system will be brought home to each individual credit manager. It follows that working hand in hand with his local credit bureau, he will find himself well on the way to mastery of his three-fold job: Faithful service to his firm—advancement of his profession—being a good citizen in his own community.

And that, Credit Man, is "What Now!"

» » »

National Office Notes

His many friends the country over will be glad to learn that Guy H. Hulse, Secretary and General-Manager of the National Consumer Credit Reporting Corporation, is rapidly recovering from his recent operation for appendicitis.

» » »

As the National Office and the offices of the National Consumer Credit Reporting Corporation are now on separate floors, we wish to extend to all credit bureau managers, a cordial invitation to visit the National Office (4th Floor, 1218 Olive Street) whenever they are visiting the N. C. C. R. C. offices.

» » »

The Finance Committee of the National Retail Credit Association, consisting of National President Charles M. Reed; M. G. Riley, Manager, Merchants Association Credit Bureau, Inc., Kansas City, Mo.; and Russell H. Fish, Credit Sales Manager of the May Company, Denver, Colo., Chairman, held a meeting at the National Office, September 10, 11. They expressed themselves as being well pleased with conditions in the National Office. LeRoy T. Pease, the other member, was unable to attend, due to press of business.

» » »

Recent visitors to the National Office included A. E. Uffert, Manager, Credit Rating Bureau, Inc., Elizabeth, New Jersey; Wm. V. Trammell, Secretary, Merchants' Credit Association, Birmingham, Alabama; and George C. Morrison, Manager, Merchants Credit and Adjustment Company, Toledo, Ohio, who were attending a meeting of the Finance Committee of the National Consumer Credit Reporting Corporation.

* * *

Other visitors to the National Office during the month were:

Edward J. Bridges, Credit Manager, Franklin Shops, Inc., Hempstead (L. I.), New York.

W. H. Flanders, Indianapolis, Indiana.

Miss Gertrude F. Gross, Manager, Booneville Credit Bureau, Booneville, Mo.

George Lawo, Secretary, The John Gerber Company, Memphis, Tenn.

M. G. Liberman, Secretary, Merchants Credit Association, Memphis, Tenn.

Herbert R. Wheeler, Manager, Joplin Retail Credit Association, Joplin, Mo.



THE PRESIDENT'S MESSAGE

CHARLES M. REED

President, National Retail Credit Association; General Manager, Retail Credit Men's Association, Denver, Colo.

THE functions of the credit granter and the credit bureau executive are so closely interrelated that each plays an important part in the membership set-up of the National Retail Credit Association. Each has an important part in the extension of credit. Each, to achieve the greatest success in his work, needs the harmonious co-operation of the other. Both are integral parts of the retail credit structure.

These thoughts are inspired by an impression which seems to obtain in some quarters, and is even shared in by some credit executives, that the National Retail Credit Association is made up principally of retail credit bureaus. Some who are not familiar with the organization think of it as a credit bureau organization.

This is not the case. Let's look at the facts: The retail credit bureaus represent a little less than 10 per cent of the total membership in the National Retail Credit Association. The remainder of our membership—90 per cent of it—consists of retailers, public utilities, banks, finance companies, and professional men of the country. The term professional men is used here to include doctors, dentists, hospitals and clinics, in other words, people who render a professional service as contrasted to those who sell merchandise over a counter.

In actual practice the National Retail Credit Association has always been under the control of the credit men. This group of members, the majority, has practically controlled the destiny of the Association. Under our new set-up the influence of bureaus in National Association affairs will be less than ever.

We realize, however, that retail credit bureaus are a necessity to safe and sane credit granting; that they form one of the many props upon which the successful manager of credit sales must lean. It has always been the writer's idea that a good credit bureau must be back of, and supported by, every representative Association of credit granters; further, that it behooves the credit men to work in close harmony with the bureau manager so that the bureau may reach a high state of perfection and serve to the entire satisfaction of its membership.

That is the manner in which the Denver bureau has been operated for 30 years, and it is, in our opinion, a most satisfactory arrangement. Practically all retail activity in this section, particularly where all important matters of credit and collections are concerned, is centered in the Retail Credit Men's Association, which As-

sociation is a most loyal supporter of the National Retail Credit Association.

It is through the Retail Credit Men's Association that our credit executives have conducted educational courses, statistical research and many other features having to do with the safeguarding of the members' interest. Matters of credit terms, collection policies, community credit policies, etc., are all handled through the R. C. M. A. which Association, of course, works in very close harmony with the executives of our various stores.

In the final analysis the interests of the credit executive and the credit bureau manager are identical. The credit executive is primarily interested in safeguarding his store against credit losses, against fraudulent purchases, against swindlers and bad check operators. He is interested in proper selection of credit risks and the prevention of frozen assets in the form of delinquent accounts.

The credit bureau manager's mission, the credit bureau's *raison d'être* is to gather and record and furnish to the credit executive such information as will help him to achieve these objectives.

In his own interest then, the credit bureau manager must take an active interest in the credit affairs of his community because his success is dependent in no small measure upon the success of those he serves. For this reason you will find the credit bureau managers in most communities taking an active hand in local credit affairs, encouraging the formation of local Associations for credit granters, and fostering memberships in the National Retail Credit Association. (Those who do not follow this policy are blind to their own interests as well as to those of their subscribers.)

If in some instances the credit bureau managers seem to dominate the local situation, may it not be attributed more to the lethargy and lack of interest of the credit granters themselves?

After all, credit is a matter affecting the entire community and deserving of the whole-hearted interest of every credit-granting merchant and his credit executive. The old adage "In union there is strength" applies with particular force to retail credit. The credit merchant "who goes it alone" usually comes to grief. Following, as he thinks, his own interests and refusing to cooperate for the common good, he deprives himself of essential information which might prevent unnecessary credit loss in his own store.

This article is not intended as criticism; rather it is an appeal to credit granters to take the same interest in local and national credit affairs as they expect from their credit bureau manager.

The National Association is now on the threshold of a new membership campaign which deserves the whole-hearted support of every credit grantor and every credit bureau manager. It should not require much argument to convince any credit grantor that when he helps the National Association to secure a new member he is helping himself, his store, and the whole cause of retail credit.

It naturally follows that with a stronger membership the National Association will be in a more advantageous position to put its plans and policies into practice on a nation-wide scale—more quickly and more effectively.

Some of those objectives as, for instance, its national, legislative and research programs are of benefit to all retailers, members and non-members alike but to achieve these objectives it needs the united efforts and combined support of all retailers.

Since these efforts are being made solely in the interest of the retailers, isn't it only fair to ask the retailers themselves to get behind the National Association program and enroll other retailers as supporting members?

» » »

They Still Do It!

A newcomer applied to one of our members for credit. This member called the credit association and received the following report:

"Hardware store, installment account, high credit \$100.00, owes \$100.00. Left former location with mortgaged property.

"Grocery store, open account, high credit \$34.15, delinquent \$34.13. Account placed for collection.

"Garage, installment account. Repossessed car.

"Physician, high credit \$39.00, delinquent \$39.00. Account placed for collection."

Needless to say, the member did not extend credit. Unfortunately, however, another member did not request a report and did extend credit to the extent of almost \$50.00. Now, we have this last account, plus the accounts mentioned above and there are no tangible assets, no way of forcing or securing collection at the present time.

CASE No. 2

A newcomer who refused to give us any data whereby we could check his record, but on whom we had unfavorable information for at least 30 days before any of the following accounts were contracted, applied to two of our members and credit was declined. He then decided the nonmembers offered a more fertile field, and was right.

We now have for collection, four accounts amounting to over \$175.00, and there are probably others. (This party has been here less than one year.)

From the above two cases, you can see the necessity of using your association. We are hourly compiling information for the protection of your accounts receivable. It is for you to decide whether or not to use it.

—*Josephine Creditors Assn., Grants Pass, Ore.*

Mechanical Age-Analysis of Accounts Reduces Work - - Speeds Collections

(Continued from page 11.)

of people who are no longer living in the city or those who are now deceased.

All letters used so far as form letters are the letters published by the Better Letter Service, of the National Retail Credit Association, and we have found that with just a little change we can always use these letters, showing the age of the account; in fact the letter shown is of this type, being one of a series known as their No. 331, No. 343, and No. 344.

We cannot praise these letters too highly as we have secured wonderful results from their use. We feel that the success we have had so far is due to the fact we are using these letters, and although the customer does receive a reminder of his (or her) account we have been complimented on the fact that our letters are as friendly and courteous as can be.

We have heard it said that the only fault with aging accounts mechanically is that it does not carry the aging far enough. That is true in one sense but we feel that after an account has become five months old or older the same collection pressure should be brought to bear as if the account were one year old; for after you have sent the customer six or seven letters and as many phone calls, and the account still remains unpaid, that account is headed for the P and L file if something is not done to stop it.

Besides, if the aging is done other than mechanically the month is half gone before the work is completed, and to us this is very unsatisfactory. Our records are ready for us on the morning of the first. We, in Baton Rouge, operate under a retail code and it is very easy to notice when an account is past due and it can be stopped until a payment has been made. We do not have to go to the ledgers and figure how old the account is; this work has already been done mechanically and with little effort.

We are sold on age-analysis for this reason. We installed age-analysis in February of this year. Since that time we have been able to reduce our outstanding balances over 20,000, although our charges for this same period exceed the last year by 15 per cent and our collections have increased in percentages over 9 per cent and in dollars and cents over 20 per cent. This, we believe, justifies our belief in age analysis and what it can do for any store that will give it a trial.

By adopting a smaller ledger sheet and statement as shown in our forms we have been able to reduce our stationery bill considerably. In fact, the savings that we made in this set-up enabled us to buy new trays and defray all other additional expenses we were put to. We heartily endorse age-analysis and firmly believe it is the one safe way of keeping in constant touch with your accounts receivable.

» » »

A Good Suggestion—

Watch for your copy of The CREDIT WORLD—then read it carefully.

—*Associated Retail Credit Men of Tulsa (Okla.), Inc.*

Catch Inactive Accounts Early-- With This New Sticker Plan

ONE of the startling facts brought out at the Department Stores Group Conference of the Memphis Convention was that few stores make any attempt at reviving inactive accounts until they have been inactive for from four to six months. This is a grave mistake. The longer an account is inactive the more difficult it is to revive.

For the customer does not stop buying. Nine times out of ten, she is buying elsewhere and forming new buying habits—new store ties and new acquaintances with salespeople—that will be hard for you to break off.

The time to worry about an inactive account—and do something about it—is at the very first sign of inactivity. Each month have all state-

ments showing no purchases during the previous month referred to you. Then have a definite procedure for finding out why these statements are blank.

Some of your inactive accounts, you'll find, will be still inactive after all of your efforts. Before finally consigning them to that "Limbo of Lost Accounts," the transfer ledger, why not make one last attempt to regain those lost customers by telephoning them and asking them, frankly, just why they stopped using their accounts? You'll find, in many cases, (after a few moment's conversation) that there is some small grievance which can easily be remedied and the account regained.

If the "Manager of Credit Sales" really deserves that title, he will apply the tactics of the good salesman to his inactive account problems or as Emil Jedlicka so aptly says in his article in this issue, "the human side of credit granting."

And, remember, this inactive account problem is a serious one: For every active account on the books of the average store, there is also an inactive one—the ghost of a formerly good account. *And that's a challenge to the really sales-minded Manager of Credit Sales!*

NOTE: The three stickers shown here are printed in one color, on gummed white paper.

Exact size is shown by dotted lines. (These dotted lines are not part of the stickers but are included only to show exact size.)

Each sticker is banded in lots of 1,000, to facilitate handling and to prevent curling.

The paper used is a specially gummed stock which insures maximum speed in affixing to statements.

Prices shown below.

We Missed You Last Month!



Anything wrong? If so, please give us a chance to correct it.

We Value
Your Patronage!

© 1934, N. R. C. A.

Your Account Is Balanced!



This is just a reminder that we missed you last month.

Use Your
Charge Account!

© 1934, N. R. C. A.

Sticker Prices

\$2.00

per Thousand

Order from
Your Credit
Bureau or the
National
Office

You Don't Owe Us a Cent!

Yes! We've noticed it and we hope you will use your charge account this month.

Your Patronage
Is Appreciated!

© 1934, N. R. C. A.

ments showing no purchases during the previous month referred to you. Then have a definite procedure for finding out why these statements are blank.

As a simple, almost automatic procedure, the National Office suggests the use of the three new stickers illustrated on this page. You already have the blank statements, addressed to the customers. The only additional expense is the cost of the stickers and the necessary postage.

The main reason for delay in reviving inactive accounts is that most stores haven't the necessary facilities for going after inactive accounts promptly. So they are allowed to drag along for several months and then someone gets excited about the number of inactive accounts and starts a special campaign to bring them back.

This procedure eliminates that condition. Each month it is only necessary to hand the statements to a girl with instructions to affix the proper sticker and mail them. At the end of three months, when the three stickers have been used, accounts which have been inactive for three months or longer should be segregated and a series of three letters should be sent to them. (Successful letters which have been used for this purpose may be found in the *Blue Book of Credit and Collection Letters* published by the National Association.)

As a variation of this procedure, you may find it easier than using letters as suggested above (after having used the stickers in accordance with the plan) to assemble all

Credit Flashes -- Personal and Otherwise

Start Credit Study Classes Now!

The National Office is anxious to see classes in both credit courses—*Retail Credit Practice and Procedure* and *Credit Department Salesmanship and Collection Department Psychology*—started in every community.

Write for illustrated literature and complete instructions for organizing classes, to Educational Department, National Retail Credit Association, St. Louis, Missouri.

» » »

Have you adopted the title—"Manager of Credit Sales"—recommended at our Memphis Convention?

» » »

Nebraska State Meeting

The Associated Credit Bureaus and Credit Granters of Nebraska will hold their annual convention in Omaha, Nebraska, November 18-20. Convention headquarters will be at Hotel Fontenelle.

Charles M. Reed, President, and L. S. Crowder, General Manager-Treasurer of the National Retail Credit Association will be honored guests. We are sure this will be a very profitable meeting and there will be sessions held for the credit executives of the state as well as bureau managers.

There will be outstanding speakers on the program and we invite anyone in this vicinity who wishes to meet with us and we feel they will go away well repaid for the visit.

—H. O. WRENN, *State Convention Chairman.*

» » »

Other Meetings

Kansas Associated Credit Bureaus—Fall Conference—Lamar Hotel, Hays, Kansas, October 14-16, 1934. President Reed will attend the meeting.

Associated Credit Bureaus of Missouri—regular semi-annual meeting—Hotel Bothwell, Sedalia, Missouri, October 21, 22. President Reed will attend.

Associated Credit Bureaus of Iowa—Seventh Annual Meeting—Hotel Savery, Des Moines, Iowa, October 21-23.

Associated Credit Bureaus of Florida—Tenth Annual Meeting—at Orlando, October 20.

Associated Credit Bureaus of Illinois—regular meeting—Bloomington, October 29.

Indiana Credit Bureaus, Incorporated—regular fall meeting—Lincoln Hotel, Indianapolis, October 15, 16.

Texas Retail Credit Bureaus, Incorporated—School of Instruction—Austin, Texas, October 15, 16.

» » »

The State Convention of the Oregon Retail Credit Bureaus, Incorporated, at Grants Pass, Ore., September 10, 11, was exceptionally well attended, 226 delegates being present. Frank T. Caldwell, Western District Manager of the National Consumer Credit Reporting Corporation was the principal speaker at the banquet, Monday evening, October 10.

Send in Samples of Forms You Are Using

R. H. Poindexter, Credit Manager, Loveman, Berger & Teitlebaum, Inc., Nashville, Tennessee, who is Chairman of the new "Credit Department Methods and Forms Committee," writes:

"If you will run a notice in your CREDIT WORLD asking the credit men to send me about 18 or 20 copies of each form they are using possibly they will begin sending them in and it won't take me so long to get things going."

Members everywhere are urged to cooperate with Mr. Poindexter by complying with his request. It is his intention to build a series of "albums" of forms which will be available to all credit granters.

» » »

Profitable Reading

A copyrighted article written by Samuel W. Reyburn, President of the Associated Dry Goods Corporation, New York City, and entitled "Eleven Attributes of a Successful Executive" appears in The CREDIT WORLD for September. There is material in the article for every executive to read, study, preserve and reread.

The same comment might be offered as to many other features appearing each month in The CREDIT WORLD.

—Nebraska Credit Company, Lincoln, Neb.

» » »

Edgerton With Weber & Heilbroner

Justin H. Edgerton, a former President of the National Retail Credit Association, and prominent in New York and Boston credit circles, is now associated with Mr. M. M. Michaels, President of Weber & Heilbroner of New York City, conducting a special store survey relative to credits, collections, charge sales and service.

Mr. Edgerton for many years was affiliated with our National Association. He was active in the promotion of the interests of retailers and gave unstintedly of his time looking after the interests of the National Association and its thousands of members. He met important issues with a clarity of mind which usually resulted in satisfactory conclusions.

We wish for Mr. Edgerton much success in his new connection.

A New Problem for the "Credit Clinic"

One of our members writes:

"Have you any information about bonus plans for Managers of Credit Sales?"

This question is being asked today by quite a number of credit executives, so we are putting it up to the membership.

If you have any available information on the subject or any experience with bonus plans please send it in for a digest in the "Credit Clinic" in the November issue. In answering please definitely state if you wish your name and the name of your firm kept confidential.

Installment Collections in Jewelry Business Show a Continuous Upward Trend

By MEREDITH TUCKER

Credit Manager, Goalstone Brothers, Denver, Colo.

OUR old friend Webster states that the word *trend* means an inclination in a particular direction. Now those poor unfortunates among us who are connected with credit and collections in a professional way have no need to refer to a dictionary for the above meaning. During the past few years we have become exceptionally familiar with trends, although if asked for a definition we might sincerely state that trend meant an inclination to travel downward with gusto.

The following record of our monthly collection percentage shows a rather substantial gain. This information was compiled by the accountant and not the credit man, so is probably correct.

	1933		1934
January	8.76	January	10.31
February	8.70	February	9.00
March	10.43	March	9.81
April	9.20	April	10.67
May	10.10	May	11.45
June	10.43	June	11.96
July	10.56	July	10.91
August	9.98	August	11.43

There is nothing to which we can attribute this improvement. Our personnel is the same, our equipment the same, our location the same. We do know that a great number of our account customers have returned to work although there is still room for vast improvement. In judging these percentage figures it must be borne in mind that this represents the collection average not only on installment jewelry, which is a high loss type of merchandise, but that it is an indication of the ability and willingness of our accounts to pay.

It would be interesting and instructive if we could know the exact contribution which the various reemployment efforts of the Government have made to this upward trend. Without it perhaps there would be no such trend, or perhaps it would be much less noticeable. Undoubtedly the theory is that by the extension of help to the class that is assumed to be least in a position to help themselves, we thereby create a wave of financial improvement which will in turn lift all classes to better conditions.

It seems that they, in the high places, have wrought exceedingly well if the present trend be any criterion. But just how much direct installment credit business have we derived from those employed by the CWA, FERA, PWA, etc.? We have been forced to decline 95 per cent of all such applications. We were forced to this not only because of the temporary nature of their employment, but because of their total lack of credit experience in the past.

Most of them seemed to have been truly a forgotten people in the past years. No record, no permanent job,

no permanent residence, no property. But they did not feel this way—they were affluent. They possessed an income beyond their fondest dreams; they were beyond question; they worked for the Government!

The swift spending of their money seems to have started the wave, all right, and to have caused increased employment in all ranks. However, we cannot but wonder a bit when we recall the vast crowd of our friends and customers who were the last to feel this improvement—many, in fact, who have yet to feel it: Graduate engineers, dentists, business people, who lost their jobs or businesses and could not find employment and yet were too proud to ask assistance. They have spent years and sacrificed much to be able to offer to the world more than the mere ability to wield a shovel or push a wheelbarrow.

Many observations could be made relative to the connection between types of merchandise and character of the buyers. The flashy dressed youngster who buys a cocktail shaker on installments is a greater potential risk than the older man who buys a clock for his home. At the present time the most popular folly seems to be the purchasing of auto radios on installments and the placing of said radio in a 1927 model "job" that is nicely covered by a mortgage. This is sheer insanity, yet when a few of them complete their payments in spite of these obstacles, we begin to wonder if maybe the rest of the world is sane and we alone are "screwy."

There seems to be a psychological connection of some sort between tattooing and jewelry! Both are personal adornment and the man who buys fancy rings for himself is often possessed of a bit of the tattooing art on his person. The lady with five or six rings on one hand is his feminine prototype and, believe it or not, she is always a good prospect for more rings!

Maybe we shouldn't be too harsh on some of the types which help make the existence of the jewelry business possible. After all, jewelry is made for the younger people and younger people are not always practical. Credit education is, therefore, particularly advisable to the jewelry clientele. Care of credit extension is more helpful on the older risks—they may be almost beyond educating. But the younger ones can be started out right by the aid of a real collection department.

It seems that the jewelry fraternity has sadly neglected this point. *We have sold terms and not merchandise.* We could learn much from the methods of the auto finance firms. They can really say that they have accomplished much in education of the credit-seeking public. What collection man has not heard, "Oh, I can't pay YOU this month. You see, I have my car payment due and I MUST pay it!"?

Now - - A Nation-Wide Study of Costs of Credit Department Operations

IN THE September issue of *The CREDIT WORLD*, the Research Department announced that preparations were being made to conduct an analysis of the operating costs of credit departments in retail stores. In order to secure the information we need the help of every member of our Association and here is how you can help us:

On the other side of this page you will find a form to be used in sending us the desired information. The purpose of this study is to ascertain the average cost of operating the credit department in various types of retail stores *in relation to the total amount of credit sales.*

It is altogether possible that you will not have your expense items set up on your books according to the items included in the form; however, additional space is given at the bottom for this purpose. We want all of the costs included for the period specified; in other words, you should ask yourself before returning the form, "Have I included all of the costs of operating my credit department?"

General Instructions

Data not available: If you cannot make a complete report, *be sure to give what data you can.* Where you cannot furnish data for a specific item, write the reason briefly in the proper space; as, "not kept separate," etc.

Estimates: Be sure to mark all estimated figures: "Est."

Accuracy of figures: Report all dollar figures accurately to the nearest dollar. If you prefer, you may report the percentage in the space provided instead of the actual amount in dollars (the percentage column means the *per cent of cost of credit sales* for the period indicated).

Mailings: Mail the form completely filled out to the Research Department, National Retail Credit Association, 1218 Olive Street, St. Louis, Missouri, as soon as possible.

Instructions for Preparing Figures

Pay Roll—Accounts Receivable: The pay roll for the period, for adjustment managers and clerks as well as tellers, bookkeepers and collectors should be included in this item. It is altogether possible that you will want to include the entire cost of collecting, such as cost of auto maintenance and repairs, outside collectors' commissions, etc., with the pay roll of the collectors.

Pay Roll—Credit Office: The pay roll of the credit manager and assistants, as well as stenographers, file clerks and authorizers should be included under this heading. If you have pay roll for the accounts receivable as well as the credit office in one lump sum, please so state.

Supplies: The cost of supplies for the accounts receivable as well as the credit office should be separated, if possible.

Communication: This item is self-explanatory and the postage expense should be separated between general post-

to customers. Actually "communication" should include age for the credit department and postage on statements telephone, telegraph or telautograph costs, and if this information is available it should be added in line four, five, six, or seven under "unclassified."

Unclassified: These items are self-explanatory. If you have other expense items which are not included in this form, they should be added in lines four, five, six, or seven, or listed on another sheet of paper. These items may include rent, light, heat, credit department memberships in local or national organizations, etc.

Professional Services: The legal services for the credit department should be included in the first item. In most stores the cost of legal services for the whole store is well known. However, the cost of legal services to the credit department can be easily ascertained. "Credit reporting bureau service dues" is self-explanatory. Item three should include the cost of credit reports over and above the bureau service dues. If any other reporting agency is used the cost should be included in item four.

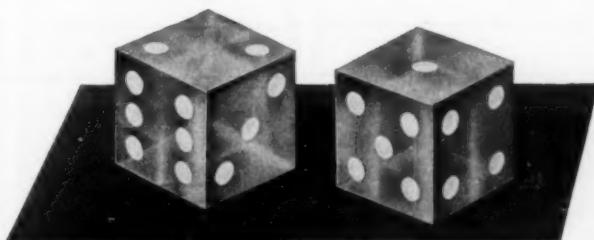
Be sure to include *all* of the costs of operating the credit department for the indicated period. We would like to have the information for the past twelve months; however, if this is not possible send us the figures for the period corresponding to the figures available as set up on your books. Also, be sure to answer the questions at the bottom of the form. As usual, *all information is strictly confidential and you need not sign your name*—just your business classification.

Take the Guesswork and Gamble out of Credit

Taking the guesswork and gamble out of credit—providing instead definite facts obtained through fact-studies—that's the function of your Research Department.

For instance, actual and comparative figures on credit department operating costs have not hitherto been available to the rank and file of credit granters.

This study, if the Research Department receives the proper cooperation from our membership, will be of inestimable value to every credit grantor. (Now turn to page 32.)—D. J. H.



Credit Department Cost-Analysis Data Blank

---ITEMS---	AMOUNT (or)	%
<u>Payroll--Accounts Receivable</u> 1--Adjustment Managers and Clerks		
2--Billers and Bookkeepers		
3--Collectors		
<u>Payroll--Credit Office</u> 1--Credit Managers and Assistants		
2--Stenographers and File Clerks		
3--Authorizers		
<u>Supplies</u> 1--Accounts Receivable Stationery and Office Supplies		
2--Credit Office Stationery and Office Supplies		
<u>Communication</u> 1--General Postage		
2--Postage on Statements to Customers		
<u>Professional Services</u> 1--Legal Services		
2--Credit Reporting Bureau Service Dues		
3--Credit Reports		
4--		
<u>Unclassified</u> 1--Losses from Bad Debts		
2--Losses from Fraudulent Buying		
3--Credit Office Directories, etc.		
4--		
5--		
6--		
7--		
Total - - - - -		

The above figures cover the period from _____ to _____

Total Credit Sales for period \$ _____

Do you age your accounts? _____ If so, how often? _____

Business Classification _____

(Such as Department Store, Jewelry, Furniture, etc.)

Cut on dotted line—fill out and mail to Research Department, National Retail Credit Association, 1218 Olive St., St. Louis, Mo.



It's so Easy-

to overlook these things. Let us have your remittance now—and we can both forget it!

Thank You!



You Forgot-- Didn't You?

WHY not mail us a check now—while you have it in mind? Thanks!



Please!

NOW that we've reminded you, won't you send us a check—please?

Thank You!

Use the "National" Stickers and Inserts

For the convenience of our members, we are encouraging the retail credit bureaus throughout the country to keep a stock of these collection helps on hand at all times. It will save time if you will order them from your local bureau.

The Stickers

Six little "persuaders" that you can use to cut your collection costs and get the money with a smile. These "gentle reminders" speed up collections amazingly because with them you can start the collection process earlier than you could with letters or other methods.

Over a million a year used by members! If you are doubtful, try a small order and be convinced. Exact size as shown, printed in two tones of blue on gummed white paper.

PRICE, \$2.00 A THOUSAND



Just to Remind You--

that this account has probably been overlooked and we'll appreciate your remittance.

Thank You!



Last You Forget!

This account is overdue. Won't you send your remittance now—lest you forget?

Thank You!

The Inserts

"Credit-explanation" as well as "credit-education" is the mission of these little enclosures. Used with statements and collection correspondence, they explain the reasons for prompt payment, courteously and impersonally.

Printed in two colors—red and black—on a good grade of white paper. Actual size, 3 1/4 x 6 inches. (Reproduced below one-half size.)

PRICE, \$2.50 PER THOUSAND



Your Remittance-

for this past due account will be appreciated. We'll be watching for it! Many Thanks!

Order from Your Credit Bureau

NATIONAL RETAIL CREDIT ASSOCIATION

1218 Olive St. St. Louis, Mo.

The "Who's Who" of Business

NOT all of us have our names recorded in "Who's Who" or the Social Register but—

All of us, whether in high or low estate, are catalogued in the "Who's Who" of Business—the records of the Retail Credit Bureau.

Here on a little card is kept the life history of your credit record—of how you meet your obligations or don't.

"Prompt Pay," the highest tribute in the "Who's Who" of Business, is the record of those who pay retail bills on the 10th of each month.

National Retail Credit Association

Executive Offices Saint Louis



The 10th of the Month Is Merchants' Pay Day!

THE retail merchant is a public servant. He serves you faithfully and well and, like any other faithful servant, expects his payment when due.

Retail charge accounts today are based on standard monthly terms:

Each month's charges are due on the 10th of the following month.

Whether you are an employer or an employee, you know what "pay day" means!

The 10th is the merchant's pay day. Pay him promptly. Prompt payments promote prosperity and protect your credit.

National Retail Credit Association

Executive Offices Saint Louis



Credit is Faith in Humanity

CREDIT—derived from the Latin *credo*: I believe—is based on faith—faith in people—faith in their character and determination to, as Emerson says, "pay every debt as if God wrote the bill!"

And he who justifies that faith, who pays his bills according to terms and promises, builds a credit record that is priceless.

Credit, never abused, is never refused. Pay retail bills promptly.

National Retail Credit Association

Executive Offices Saint Louis



"O.K."—What it means

THAT little notation, "O.K.", on your charge slips, is the badge of honor of the retail charge account.

It means that your credit is good—that you pay your bills promptly and according to promises.

It means that the merchant has confidence in your integrity.

"O.K." is the index of your credit record. Protect it and preserve it—pay retail bills promptly.

National Retail Credit Association

Executive Offices Saint Louis



The November "Ad-of-the-Month"--in the N. R. C. A. "Pay Promptly" Campaign

▲ TWELVE ADS:

Twelve ads in the campaign, each covering a vital phase of consumer credit.

For complete description, write for new "Pay Promptly" Portfolio.

Sample advertisement (in 4" x 6" size) shown at right.

You are a Vital Link in the Great Chain of Credit



CREDIT is like a chain of many links—made up of producers, manufacturers, retailers and professional men—and you, the customer. You are the vital link! For prompt payment on your part starts money around "the credit circle," through the retailer and professional man to the manufacturer, the producer and the worker—and whether your income is from labor or from stocks and bonds, it will come back to you.

But if you fail to meet your obligations promptly the credit chain is broken. If you delay payment of a bill for two, three or four months, you're taking the amount of that bill out of circulation, and, perhaps unintentionally, retarding business recovery.

Let's pull together! Let's use our credit—buy what we need—and, by paying promptly, give others a chance to earn what they need.

Use your credit freely and pay all bills by the 10th or promptly as agreed



PUBLISHER NOTE CAREFULLY This Space Is for Local Association Signature to be Set by You

Cut off small brackets at each outside corner of advertisement which are placed there to indicate exact size of space. This ad must be run at bottom of page

▲ THREE SIZES

Each ad furnished in three sizes at the following prices (which include mats):

8x12 in. \$2.00 each
6x9 in. 1.50 each
4x6 in. 1.25 each

Every local association should use the ad reproduced above, early in November. Its clear "reasons-why" message is typical of the "credit-education" theme which is the basis of this "Pay Promptly" Campaign.

To date, seventy-six cities have used this campaign. In many cities, the newspapers themselves have bought the campaign and handled all details. Write for descriptive literature.

NATIONAL RETAIL CREDIT ASSOCIATION
1218 OLIVE STREET SAINT LOUIS, MO.

